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S. HRG. 104–831

THE USE OF SUPPLEMENTAL SECURITY INCOME AND OTHER WELFARE PROGRAMS BY IMMIGRANTS

GOVDOC
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HEARING

BEFORE THE

SUBCOMMITTEE ON IMMIGRATION

OF THE

COMMITTEE ON THE JUDICIARY
UNITED STATES SENATE

ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

ON

EXAMINING ISSUES RELATING TO THE RECEIPT OF SUPPLEMENTAL SECURITY INCOME (SSI) BENEFITS AND OTHER WELFARE PROGRAMS BY NONCITIZENS

FEBRUARY 6, 1996

Serial No. J–104–62

Printed for the use of the Committee on the Judiciary

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THE USE OF SUPPLEMENTAL SECURITY INCOME AND OTHER WELFARE PROGRAMS BY IMMIGRANTS

TUESDAY, FEBRUARY 6, 1996

U.S. SENATE,
SUBCOMMITTEE ON IMMIGRATION,
COMMITTEE ON THE JUDICIARY,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:03 a.m., in room SD–226, Dirksen Senate Office Building, Hon. Alan K. Simpson (chairman of the subcommittee) presiding.

Also present: Senators Grassley, Kyl, Kennedy, Simon, and Feinstein.

OPENING STATEMENT OF HON. ALAN K. SIMPSON, A U.S. SENATOR FROM THE STATE OF WYOMING

Senator SIMPSON. The hearing will come to order.

Today, the Subcommittee on Immigration will hear testimony about the use of SSI and other welfare programs by immigrants. We have a number of able and very well-informed witnesses before us. Welcome. We look forward to hearing and learning of your research and hearing your views.

America has long welcomed immigrants from around the globe, and I surely believe this is in our national interest to continue this policy. In fact, my immigration reform bill, the same one which has been raising the hackles of certain interest groups—the groups, as we refer to them in my line of work, except they have become ever more curiously blended genetically now. People who never wanted to do anything have joined with people who always wanted to do something, and people who were originally on one side are now on the other. So much for the power of interest.

Nevertheless, this bill that I propose will continue this generous tradition. The bill would reduce immigration by 20 percent for 5 years, but it continues to provide more immigrant visas than the rest of the world combined. That ought to be known to the American people. How anyone can characterize that as eliminating or stuffing or slashing legal immigration is beyond my ever-vivid imagination. So I hope my colleagues will review the record and clearly bear that in mind as we consider immigration reform in the full Judiciary Committee, and that will be coming very soon.

But our Nation's immigration law is very clear on one point. No one may emigrate to the United States if he or she is, "likely at any time to become a public charge." Now, people say, oh, isn't that

a terrible thing; whoever heard of such a thing? Well, such a restriction was part of our Nation's first general immigration law passed in 1882. That is where that language comes from, and a similar provision dates back even further to the Massachusetts Bay Colony.

This edict that America's newcomers must be self-sufficient is central to America's historic immigration policy. The people of this Nation, I believe, support a generous immigration policy, but they have never supported an immigration policy which permits the entry of those who live off the largess of the general public, nor is there any justification for asking the American taxpayers to support the new arrivals just per se, as is.

Our laws contemplate, and the public expects the newcomers to work or to receive any needed support from the relatives who brought them here, period. That is the law. I have supported, and my bill provides a limited safety net for those who emigrate here when an immigrant sponsor is financially unable to provide that support. I also believe that immigrants should be able to earn their way into our generous network of social support, but we should no longer permit unfettered access to welfare by newcomers who have not worked in our country and who have not contributed to these taxpayer-supported assistance programs, such as SSI, Supplemental Security Income.

There is evidence that this premise of self-sufficiency and the promises made by the sponsors are simply not being honored in a growing number of cases. Professor George Borjas will testify later, but let me give you a quick heads-up at one of his conclusions. Twenty-one percent of immigrant households receive some form of welfare, while only 14 percent of native households do. This figure is not due only to the high rate of welfare dependence among refugees, as some maintain. It includes many immigrants who would not have ever been admitted had they not assured us, the American public, that they would not use public assistance. That is what the promise was.

I am especially concerned about the Supplemental Security Income, or SSI, program. The GAO, using data from the Social Security Administration, has calculated that the number of legal immigrants receiving SSI increased at an average rate of 16.5 percent from 1982 until 1993. Of particular interest is the SSI aged program, which was designed solely to supplement the Social Security benefits of the elderly in order to ensure that they received a guaranteed minimum amount of income per month.

Now, by 1994, elderly aliens comprised 30 percent of the recipients of SSI aged payments. While the number of native-born using this program declined 29.6 percent from 1982 to 1994, the number of immigrants increased 379 percent. Moreover, few of the aliens on SSI for the aged have any Social Security payment to supplement—hear that—so they receive a higher average benefit amount. Non-citizens, who are 30 percent of the recipients, received 45 percent of the benefits disbursed under the SSI aged program in 1994. What is happening here? You are here to help us and perhaps tell us.

I see that with the SSI program for the aged, I believe the answer has become increasingly evident. What is happening is many

individuals are emigrating at an advanced age, usually as the parents of foreign-born U.S. citizens, and then applying for SSI benefits. Because these elderly parents have no work history in the United States, they are not eligible for Social Security, only eligible for SSI. According to data from the Congressional Budget Office, CBO, 79 percent of the immigrants on SSI for the aged were age 60 or older when they entered the United States. I will refrain from additional statistics because our witnesses will supply them.

Let me conclude with just a quick thought. Our immigration law is clear, unless we are willing to repeal our public charge exclusion, something I will not support. It has been on the books since 1882. I think it should be on the books. If you decide to bring your relatives as legal immigrants, you are required to support them. So if we are not going to repeal the public charge exclusion, then Congress should take steps to ensure that the law is enforced.

We cannot continue to dwell in this hazy never-never land where America hails the virtues of immigrant industry and work ethic and self-sufficiency, as reporters and editorial writers sing all praises in that particular field, while then subsidizing increasing numbers of these, our own new arrivals. So Congress should look hard at ensuring that the promises made before entry of a fruitful life without public assistance are kept after arrival.

I look forward to working with my colleagues on both sides of the aisle to address the issue, knowing, too, that, of course, Social Security itself will be in serious decline in the year 2013 and will be, quote, "broke" in the year 2029, according to the trustees of the Social Security system, not somebody else more sinister. Three of those trustees are members of the President's Cabinet, and we don't even talk about it here, Democrat or Republican alike. It is something we are not to speak of, and yet that program, with the baby-boomers, with 1 out of 8 seniors today and 1 out of 5 people over 65 in 25 years, will surely be in tattered array. With these driving influences on SSI and with what is happening here, it needs a close view, and that is what we intend for it.

So I believe that I will give you a little more time on the question portion and we can have the witnesses, if that is acceptable to you. You can make an opening statement at the time of—instead of the 5-minute questions, I will give you an extra belt there.

Senator SIMON. I would just as soon go ahead with the witnesses and not have a statement.

Senator SIMPSON. Thank you very much, and thank you for being here. This is a splendid subcommittee to work with. These are people who work on a serious bipartisan basis and it can't be done without that.

Panel one: Carolyn Colvin, the Deputy Commissioner for Policy, Program Evaluation and Communications, of the Social Security Administration; Angelo Doti, Director of Financial Assistance, Orange County Social Services Agency; Lavinia Limon, Director of the Office of Refugee Resettlement of the Department of Health and Human Services; Susan Martin, the Executive Director of the U.S. Commission on Immigration Reform.

We all extend our sympathies on the death of chairman of that Commission, Barbara Jordan, surely one of the most magnificent

people I have worked with in public life, and I have said that before and after.

We also have Jane Ross, finally, the Director of Income Security Issues of the General Accounting Office.

If you would please proceed in that order.

PANEL CONSISTING OF CAROLYN COLVIN, DEPUTY COMMISSIONER FOR PROGRAMS, POLICY, EVALUATION AND COMMUNICATIONS, SOCIAL SECURITY ADMINISTRATION; ANGELO DOTI, DIRECTOR, FINANCIAL ASSISTANCE, SOCIAL SERVICES AGENCY, COUNTY OF ORANGE, CA; LAVINIA LIMON, DIRECTOR, OFFICE OF REFUGEE RESETTLEMENT, OFFICE OF FAMILY ASSISTANCE, ADMINISTRATION FOR CHILDREN AND FAMILIES, DEPARTMENT OF HEALTH AND HUMAN SERVICES, ACCOMPANIED BY JACK EBELER, DEPUTY ASSISTANT SECRETARY FOR HEALTH POLICY, DEPARTMENT OF HEALTH AND HUMAN SERVICES; SUSAN MARTIN, EXECUTIVE DIRECTOR, U.S. COMMISSION ON IMMIGRATION REFORM; AND JANE L. ROSS, DIRECTOR, INCOME SECURITY ISSUES, HEALTH, EDUCATION, AND HUMAN SERVICES DIVISION, U.S. GENERAL ACCOUNTING OFFICE

STATEMENT OF CAROLYN COLVIN

Ms. COLVIN. Mr. Chairman, members of the subcommittee, good morning. My name is Carolyn Colvin. I am the Deputy Commissioner for Programs, Policy, Evaluation and Communications of the Social Security Administration [SSA]. I am pleased to be here today on behalf of Commissioner Chater to discuss issues relating to the receipt of Supplemental Security Income [SSI] benefits by noncitizens.

My written statement covers in detail the concerns expressed in your letter of invitation. I would like to submit that fuller statement for the record and just highlight its major points in my oral statement.

Senator SIMPSON. That is so ordered.

Ms. COLVIN. I would like to start with information about program participation and growth, touching on the sponsor support concerns and the solutions listed in your letter, and finally address interpreter fraud issues.

The number of noncitizens receiving SSI increased at an average annual rate of 14.3 percent in the period 1985 through 1995, reflecting the general increase in immigration in recent years. Noncitizens currently represent 12 percent of all SSI recipients, 32 percent of the SSI aged population, and about 6.2 percent of the SSI disabled population.

The number of refugees on the SSI rolls has also grown over the past 10 years. In 1985, 24,000 refugees received benefits. By 1995, the number had grown to 138,600. While refugees make up two-thirds of the PRUCOL [permanently residing in the United States under color of law] class of noncitizens, they constitute only 18 percent of all noncitizen recipients and just 2 percent of all SSI recipients. Most noncitizen recipients receive benefits based on age, which is not typical of the general SSI recipient population. Only 22 percent of all recipients receive benefits based on age, while 58 percent of noncitizen recipients receive benefits on this basis.

The categories of noncitizen recipients are somewhat more evenly distributed between aged and disabled than is the general SSI recipient population. About 61 percent of those admitted for permanent residence are aged and 39 percent are disabled. About 51 percent of refugees are aged and 49 percent are disabled. The percentage distribution that applies to refugees also applies to the group that includes asylees and other noncitizen categories.

The growth in the number of noncitizens receiving SSI mirrors the increase in immigration in recent years. In 1988, 643,000 noncitizens were admitted for permanent residence, the most in any year since 1924. In 1989, this status was accorded 1 million immigrants, followed by 1.5 million and 1.8 million in 1990 and 1991, respectively. One fact was the implementation of the Immigration Reform and Control Act of 1986 that legalized an estimated 2 to 3 million previously undocumented noncitizens. As a result, many of these noncitizens were able to become eligible for SSI.

I would now like to address concerns about sponsored immigrants receiving publicly funded assistance. Many noncitizens admitted for permanent residence are sponsored by a family member residing in the United States. The affidavit of support that the sponsor signs affirming that the immigrant will not become a public charge supports the approval of a noncitizen's request to emigrate. However, the courts have ruled that affidavit not to be legally enforceable.

Sponsor deeming under the SSI program, which currently applies for a period of 5 years after the immigrant's admission into the United States as a permanent resident, has proved to be effective at keeping sponsored immigrants off the SSI rolls. Only about 1 percent of all noncitizens legally admitted for permanent residence begin receiving SSI benefits before the end of the deeming period. However, as you are aware, Mr. Chairman, the deeming period will revert to 3 years beginning October of this year.

Let me emphasize that the administration strongly endorses holding sponsors accountable for those they bring into this country and making the sponsor's commitment of support a legal, binding contract. However, there is concern that in crafting ways to hold sponsors accountable, changes might be made in SSI that would adversely affect some elderly or disabled immigrants in situations where they truly need help in meeting basic needs.

I see that my time is up and I will end at this point and will be very happy to take your questions at this time. You have my full statement for the record.

Senator SIMPSON. I certainly do, Ms. Colvin, and it was very helpful. You focused on issues that we will come to in the questioning.

[The prepared statement of Ms. Colvin follows:]

PREPARED STATEMENT OF CAROLYN COLVIN

Mr. Chairman and Members of the Subcommittee: My name is Carolyn Colvin. I am the Deputy Commissioner for Programs, Policy, Evaluation, and Communications of the Social Security Administration. I am pleased to be here today on behalf of Commissioner Chater to discuss issues relating to the receipt of Supplemental Security Income (SSI) benefits by noncitizens. As you have requested in your letter of invitation, I will provide information about growth in the numbers of noncitizens participating in the SSI program. In addition, I will discuss the options for addressing concerns about sponsored immigrants who receive SSI benefits and bring you

up to date on SSA's efforts to combat fraud perpetrated on the SSI program and the immigrants themselves by unscrupulous middlemen.

Let me begin by describing the basic eligibility requirements in the Social Security Act that noncitizens must meet in order to be eligible for SSI.

BASIC ELIGIBILITY REQUIREMENTS

To qualify for SSI, in addition to being aged, blind, or disabled and meeting the SSI income and resource tests, a person must reside in the United States and be; (1) either a U.S. citizen, or (2) an alien lawfully admitted for permanent residence, or (3) otherwise permanently residing in the United States under color of law.

Noncitizens who are lawfully admitted for permanent residence are issued either immigrant visas abroad by the Department of State or are adjusted to permanent resident status in the United States by the Immigration and Naturalization Service (INS).

The other group of noncitizens who can be eligible for SSI are those "permanently residing in the United States under color of law" (PRUCOL). PRUCOL is a broad categorization that includes 16 specific immigration statuses for noncitizens and a general category that includes noncitizens known by the INS to be present in the country and INS does not contemplate enforcing their departure.

Among noncitizens who are PRUCOL are individuals in three categories who are admitted or are allowed to remain in the United States for humanitarian reasons including refugees, asylees, and individuals who have had their deportations withheld under section 243(h) of the Immigration and Nationality Act. These noncitizens generally do not have sponsors and often arrive in the United States with no income or resources. SSI has been the only form of on-going cash assistance for many aged, blind, and disabled refugees and qualified persons.

Noncitizens present in the United States temporarily as visitors (nonimmigrants) and noncitizens in the United States illegally are not eligible for SSI.

I would now like to give an overview of noncitizen participation in the SSI program. The number of noncitizens on the SSI rolls has grown, reflecting the general increase in immigration in recent years. The number of noncitizens receiving SSI increased at an average annual rate of 14.3 percent in the period 1985 through 1995. Noncitizens currently represent 12 percent of all SSI recipients; 32 percent of the SSI aged population; and about 6.2 percent of the SSI disabled population.

Generally, noncitizen SSI recipients are older than the rest of the SSI population. Currently, 67 percent of the noncitizen recipients are over age 65, and 27 percent are over age 75. In addition, because noncitizen recipients, particularly the aged, may not receive significant income from other sources, such as Social Security, they tend also to be poorer than citizen recipients.

Most noncitizen recipients receive benefits based on age which is not typical of the general SSI recipient population. Only 22 percent of all recipients receive benefits based on age, while 58 percent of noncitizen recipients receive benefits on this basis.

The categories of noncitizen recipients are somewhat more evenly distributed between aged and disabled than is the general SSI recipient population. About 61 percent of noncitizens admitted for permanent residence are aged and 39 percent are disabled. About 51 percent of refugees on SSI are aged and 49 percent are disabled. The percentage distribution that applies to refugees also applies to the group that includes asylees and all other noncitizen categories.

Refugees

The number of refugees on the SSI rolls has also grown over the past 10 years. In 1985 24,000 refugees received benefits. By 1995, the number had grown to 138,600. While refugees make up two-thirds of PRUCOL class of noncitizens, they constitute only 18 percent of all noncitizen recipients and just 2 percent of all SSI recipients.

CAUSES OF GROWTH

As we stated earlier, the growth in the number of noncitizens receiving SSI mirrors the increase in immigration in recent years. In 1988, 643,000 noncitizens were admitted for permanent residence, the most in any year since 1924. In 1989, this status was accorded one million immigrants followed by 1.5 million and 1.8 million, in 1990 and 1991, respectively. These large increases were due to implementation of the Immigration Reform and Control Act of 1986 that legalized 2.7 million previously undocumented noncitizens. As a result, many of these noncitizens were able to become eligible for SSI.

A contributing factor to the growth may be the effects of conflicts around the world that have led to the greater admission of refugees.

SSA verification procedures

Mr. Chairman, whatever the reasons for the growth in noncitizen participation in the SSI program, I want to make it very clear that noncitizens who are in the United States without the knowledge and permission of the INS and who are not covered by defined PRUCOL categories are not eligible for SSI.

SSA's regulations and operating instructions that set out the requirements for proof of citizenship or noncitizen status are designed to assure that only those individuals who are legally present in the United States and who meet the other statutory provisions for SSI eligibility are, in fact, found eligible. I would like to outline briefly those requirements.

Every SSI applicant's citizenship or immigration status must be verified before they can be made eligible. To verify U.S. citizenship, our field offices look at birth or baptismal records, U.S. passports, naturalization papers, or other documents reflecting U.S. citizenship. In the case of noncitizens who state that they are lawfully admitted for permanent residence, we require that they provide documents issued by INS as evidence. Our field office employees examine the documents using special equipment and procedures established by the INS. If the documents appear in any way to be invalid, copies are sent to INS for verification.

Many noncitizens in PRUCOL categories also have INS documentation of their status, although some may not. In all PRUCOL cases, we contact INS for verification of the authenticity of the documentation or the fact that the noncitizen is known to INS and that INS does not contemplate deporting the noncitizen. Reverification with INS also is done annually for all PRUCOL noncitizens on the SSI rolls, or more frequently if it appears necessary based on the individual's situation.

In about 160 Social Security Offices with the greatest number of cases involving noncitizens, the Immigration and Naturalization's on-line Systematic Alien Verification for Entitlements System (SAVE) is available to assist in verifying the resident status of applicants for SSI benefits.

SPONSOR SUPPORT ENFORCEMENT

Mr. Chairman, I now would like to address your concern about sponsored immigrants receiving publicly funded assistance. But again, some background information may be helpful.

Many noncitizens admitted for permanent residence are sponsored by a family member residing in the United States. The affidavit of support that the sponsor signs, which affirms that the immigrant will not become a public charge, supports the approval of the noncitizen's request to immigrate. However, the courts have ruled that the affidavit is not legally enforceable. The Administration has proposed making the affidavit legally enforceable.

In the late 1970's, as a result of similar concerns about the number of noncitizens entering the country and the impact on publicly funded assistance programs, consideration was given to making the affidavit of support legally enforceable for 5 years as a way of reducing the number of noncitizens receiving welfare shortly after their arrival in the United States. What emerged from that debate was a provision, effective in 1980, that required a part of the income and resources of the noncitizen's sponsor to be taken into account in determining whether a noncitizen is eligible for SSI for a period of three years after the noncitizen's entry into the United States. Exceptions were provided for those who became blind or disabled after their admission into the United States. Also, sponsored noncitizens could become eligible for SSI during the "deeming period" if the sponsor's financial situation deteriorated. This provision—generally known as "sponsor deeming"—precludes sponsors from shifting their financial responsibilities to the U.S. taxpayers by requiring that a portion of their income and resources and those of their spouses be counted along with the immigrant's own income and resources in determining the immigrant's eligibility and the amount of the SSI payment.

Sponsor deeming under the SSI program currently applies for a period of 5 years after the immigrant's admission into the United States for permanent residence and applies to all lawfully admitted, sponsored immigrants. Under current law, the deeming period will revert to 3 years beginning October of this year.

Sponsor deeming is very effective at keeping sponsored immigrants off the SSI rolls. The effectiveness of the deeming provision is shown by the fact that in December 1994, the most recent date for which we have data, fewer than 5,000 noncitizens with sponsors came on the rolls before the deeming period ended. This is only about 1 percent of all noncitizens lawfully admitted for permanent residence currently receiving SSI benefits.

OPTIONS FOR SPONSORED IMMIGRANTS

In spite of the demonstrable effectiveness of the sponsor-to-immigrant deeming provision, there is concern about the growth in the number of immigrants on the SSI rolls. In your letter of invitation, you requested that I discuss four policy options intended to address this concern—prohibiting SSI eligibility for a specified number of years, changing current-law deeming provisions, enforcing deportation under the "public charge" provision, and requiring sponsors to purchase health insurance for the immigrants that they sponsor.

In discussing these options, I want to emphasize that the Administration strongly endorses holding sponsors accountable for the support of immigrants that they bring into this country and making the sponsors' commitment of support a legally binding contract. There is concern however that, in crafting ways to hold sponsors accountable, changes might be made in SSI that would adversely affect some elderly or disabled immigrants in situations where they truly need help in meeting basic needs because their sponsors are unable to provide it.

A problem with an outright ban on SSI eligibility for sponsored immigrants for a specified number of years is that it would not be sufficiently flexible to help immigrants when they become disabled or the sponsor can no longer provide support. In these situations, the cost of essential assistance would most likely fall on the State or local governmental entity. Current-law deeming avoids this pitfall by effectively precluding an immigrant's receiving SSI only so long as the sponsor's income and resources are sufficient to provide for the immigrant. It also takes into account situations where noncitizens become too disabled after entry to be able to support themselves and their support would become onerous for the sponsor due to the additional expenses associated with the disability.

However, we recognize that, effective as the current-law deeming provision is, it can be improved. To this end, the Administration would support a proposal to continue deeming the sponsor's income and resources until the immigrant becomes a U.S. citizen, with exceptions for: elderly immigrants aged 75 or older who have resided in the country for many years; those who have worked or served in the military; those who have become blind and disabled after entry; Cuban and Haitian Entrants, and those on the SSI rolls at the time of enactment who have completed their deeming periods. We do not believe that the current-law deeming formula should be modified, because it sets aside some of the sponsor's funds in recognition of the sponsor's own needs and provides flexibility for situations where the sponsor's ability to support the noncitizen may be undercut by deteriorating health or loss of employment. The Administration would also support a proposal that would make the sponsor's affidavit of support a legally binding contract between the sponsor and the immigrant.

The Administration strongly opposes any change that would require deeming of the sponsor's income and resources to an individual after he or she becomes a U.S. citizen. Such an approach would likely be subject to a constitutional challenge as applied to naturalized citizens, who may be ineligible solely because of their former status as noncitizens, for benefits to which other citizens are entitled.

We are unable to assess the impact of the third policy—the enforcement of deportation under the "public charge" option. We would defer to the Immigration and Naturalization Service for an analysis of the effectiveness of this approach as a deterrent because of its experience with this procedure.

Likewise we defer to the health experts in the Department of Health and Human Services (HHS) on the issue of requiring sponsors to purchase health insurance as a condition of the immigrants' entry.

INTERPRETER FRAUD

I would now like to turn to another issue you asked me to address, Mr. Chairman—allegations of interpreters providing fraudulent information to secure SSI payments for some non-English speaking applicants. I want to assure you that the Administration is committed to taking the strongest possible measures to deal with fraud in the SSI disability program as well as all the programs we administer. We have zero tolerance for fraud. No one should be allowed to defraud the government and take scarce resources away from the needy disabled and elderly who deserve them and depend upon them so much. Fraud makes people, English speaking or not, suffer because it makes all applicants suspect. The program as a whole suffers as its reputation is tarnished in the eyes of the public.

I would first like to provide you with some background on this issue, and then I will discuss our efforts related to this area. I will also address briefly the recent General Accounting Office (GAO) report on interpreter fraud.

Background

Within the last five or so years, we have encountered a small but troubling number of cases of suspected interpreter fraud in the SSI program. These cases were primarily in the states of Washington and California and primarily involved noncitizens from Southeast Asia. Investigation of these cases revealed that the fraud issue generally related to middlemen who solicited applicants, and, for a fee, fabricated a fraudulent disability, and then accompanied the applicants to serve as interpreters during their interviews before SSA (and to medical examinations in connection with their claims). In some cases, medical providers acted as collaborators with these fraudulent schemes by providing false medical information. It is important to note that the mere use of an interpreter is not an indicator of potential fraud. Interpreters are essential for communication between English and non-English speakers and middlemen are routinely used to conduct government business in many non-English speaking communities and cultures. Qualified interpreters fill an important gap when public agencies lack bilingual intake workers or interviewers.

SSA initiatives to deter fraud

Given the difficulties associated with this issue, we believe it is very important to focus on deterring fraud from the outset of the application process. Therefore, to deter interpreter fraud in the SSI application process, SSA has over the past several years implemented significant enhancements to our procedures for handling claims from non-English speaking individuals and possible fraud situations. We think these enhancements have substantially improved the integrity of the SSI disability program compared to only four or five years ago, and we expect this trend to continue.

SSA efforts to address known cases of fraud

In addition to deterring fraud, we must be prepared to address the issue of fraud after it has been detected. Let me now discuss how we handle cases of suspected fraud. Whenever fraud is suspected, SSA reviews the case and routinely refers the case to our Office of the Inspector General (OIG). In turn, SSA receives leads from OIG, as well as other law enforcement agencies, that result from their investigative activity.

In California, for example, working from OIG leads, we have completed 622 continuing disability reviews where fraud was suspected. Upon review, about 60 percent of these have proven to be cases of true disability. When taken together with the fact that less than one-third of the OIG leads were receiving SSI, this indicates that the field offices and State disability adjudicators had done a good job of not allowing fraudulent claims. Of those that did get on the rolls, 40 percent—over 230 cases—have had benefits terminated.

In Washington State, an interagency taskforce (with representatives from SSA, the U.S. Attorney, the Federal Bureau of Investigation (FBI), the Internal Revenue Service (IRS), the Immigration and Naturalization Service (INS), and several other State and Federal components) has largely completed investigation of 600 Tacoma area cases. The taskforce is now conducting interviews to confront the recipients with the evidence against them. Taking advantage of the additional evidence and the interviews provided by the taskforce, SSA then reopens the original favorable decisions. Out of the 40 cases with completed interviews so far, benefits have been terminated in 30 cases.

As I indicated earlier, cases of suspected fraud are routinely referred to our OIG for a fraud determination and possible referral to the Department of Justice for prosecution. I am pleased to report that, as a result of the investigations undertaken on this issue, over 30 arrests have been made in California and Washington, with at least 15 convictions.

GAO report findings

Let me now turn to the recent GAO report which discussed applicant fraud in the SSI disability program when middlemen are involved. Last August, GAO released a report indicating that SSA could do more to combat interpreter fraud and provided three recommendations to help accomplish this.

Mr. Chairman, I share GAO's belief in the importance of this area. In fact, the actions we have been taking over the last two years are consistent with the three recommendations in the GAO report. We do have a program wide strategy for handling this issue, in the form of our agency-wide policies for handling claims of non-English speaking applicants and for preventing and detecting fraud, waste, and abuse. We have in place regional directories of interpreter services, and we are in the planning stages of a comprehensive third-party database that will include ways to identify interpreters and middlemen who have been involved in fraudulent claims. We also have access to information obtained by State Medicaid fraud units

and other government agencies, and we are strengthening our cooperative effort with the fraud unit in the California DDS.

We did consider GAO's suggestion that all bilingual interviews be conducted by SSA interpreters. Our basic policy is to use bilingual employees wherever feasible, and the vast majority of bilingual interviews are handled by SSA employees. But to ensure timely and equitable service, our experienced field office interviewers have the discretion to use other alternatives as well, including adult family members as interpreters. Experience has shown that this practice works quite well—the vast majority of non-English speaking claimants are not involved in fraudulent activity. In addition, our employees have the authority to terminate a suspicious or unsatisfactory interview at any time if they believe inaccurate information is being supplied, and to reschedule with an independent interpreter.

Finally, Mr. Chairman, I think it is important to note that the GAO report did not find any new instances of fraudulent activity. Although there continue to be isolated cases of fraud throughout the nation, no new pockets of interpreter fraud have surfaced. We believe our hard work in this area has paid off. Moreover, we think our initiatives will continue to improve the program's integrity, while at the same time treating both English and non-English speaking individuals filing for SSI disability benefits fairly and equitably, and without discrimination or unwarranted inconvenience.

CONCLUSION

In conclusion, we believe that the sponsors of immigrants should live up to their pledges to provide sufficient financial support so that, in most cases, public monies would not be needed to help meet immigrants' basic needs. At the same time, we believe that recognition be given to sponsors and their families' needs so that, if sponsors become unable to provide for the immigrant because of his failing health, accident, or loss of employment neither sponsors nor immigrants would be left destitute. There is ample evidence that sponsor deeming has been effective in preventing sponsors from reneging on their pledges of support that are the basis for the approval of the immigrant's entry into the United States. Extending the deeming period and making these support pledges legally binding contracts would provide even stronger safeguards of the public purse.

Senator SIMPSON. Now, Mr. Doti.

STATEMENT OF ANGELO DOTI

Mr. DOTI. Good morning, Mr. Chairman and members of the subcommittee. I, too, probably for expediency, since you have my complete text and many graphs on the issue—maybe I will just selectively go through this.

I am the Director of Financial Assistance for Orange County Social Services, Orange County, CA. In our State, counties administer welfare programs for the Federal and State Government. We are one of the 12 States that perform that. We are the fifth largest county in the United States, having 2.6 million county residents. Approximately 22,000 applications are received monthly for public assistance. Increasingly, the number of applications by immigrants, refugees, IRCA's and OBRA's is the driving engine for our welfare population.

In IRCA's alone, we had 230,000——

Senator SIMPSON. Would you explain IRCA's to the uninitiated?

Mr. DOTI. Immigration Reform and Control Act, those parties who went through 210 and 245 for amnesty.

In Orange County, newly arrived legal aliens do readily access entitlement and local health and cash assistance programs. Data that we have provided as attached to our text is required under various civil rights laws.

If I can just give you a couple of statistics, for AFDC [Aid to Families with Dependent Children], 28 percent of the persons on AFDC are immigrants. This excludes children born of undocu-

mented parents and persons receiving 8-month limited time through the refugee cash assistance program. Ninety-four percent of the refugees apply for cash assistance within 2 months of arrival on our shores. Forty percent of our AFDC-eligible refugees remain on aid for 5 years or longer.

For Medicaid, going through OBRA—that is assistance for undocumented that came out of the Act in 1988—it has virtually doubled and now constitutes 26 percent of the entire Medicaid budget in Orange County, and I understand that is pretty well reflective of the State as a whole. We have virtually no ability to check or investigate the eligibility for parties under OBRA, thus making Medicaid highly fraud-prone and prone to excessive abuse.

In the general relief program—that is the local cash assistance program that we must mandate—31 percent of all persons on that program are sponsored aliens in the country less than 5 years. Sixteen percent are time-expired or time-eligible refugees. Twenty-one percent more are other legal aliens, such as persons having gone through IRCA. Eighty-two percent of the sponsored aliens coming in are over 65 years of age.

What has happened, because we do not administer the SSI program, is when the Federal Government barred them for 5 years, they did not move the affidavit of support, which remains at 3 years. Consequently, newly arriving parties are applying for public assistance shortly after the 3-year period. Presently, in compiling statistics for this presentation, we have 881 persons who would have gone on SSI that are now our recipients.

What we would propose—and it is not our intent to bar individuals from assistance, but what we are saying is if that is going to be the case, court suits, such as *Graham* v. *Richardson* and *El Souri* v. *State of Michigan,* have spoken and said that States and their local political subdivisions do not have any rights in the area of alienage. So if you are going to bar anyone from any form of assistance that are aliens, you must make it universal to us or we will become simply the cost-shift recipient of that policy, such as with the SSI program.

For specifics—and, Senator, we certainly concur—we believe that we need to enforce the public charge provisions as they currently exist, and we know that is not always the case. We need an enforceable affidavit of support that is a legally binding contract and enforce the penalties for willful violations of the abandonment that is so prevalent today, and minimize exceptions to avoid circumvention of that policy. We need to have the Social Security number input into our IEVS [Income and Eligibility Verification System] and SAVE [Systematic Alien Verification for Entitlements System] data base so that we can verify these statements.

We need to coordinate whatever time-limited prohibition policies along with the affidavit of support. Finally, two things to curb the abuse on medicals. We need to tighten the definition of incapacity and disability to only medical conditions that truly preclude gainful employment, and finally to implement a disability determination assessment policy that ensures that the findings are valid and impartial, such as an independent disability review panel.

Thank you very much for allowing us to express our views, and I would be happy to answer any questions.

Senator SIMPSON. Well, thank you very much; very helpful.

[The prepared statement and submitted materials of Mr. Doti follow:]

PREPARED STATEMENT OF ANGELO DOTI

Legal and undocumented aliens access some Federal and local government programs in various ways. Caseloads in recent years have risen significantly in large part due to the IRCA and OBRA provisions, refugee admissions and subsequent sponsoring of family members.

Tracking mechanisms did not exist to capture all alien/citizenship data for this hearing. The review of available data made it evident that immigration and policy/court changes towards welfare immigrants has impacted caseload growth more than any economic factors. Evidence the fact that most clerical and front-line eligibility staff have to be bilingual to meet our varied language needs. From our perspective:

- States and local governments are expressly prohibited from excluding aliens from their assistance programs, even if authorized by the Federal Government to do so. Thus, if Congress is intent to limit any aliens from aid in this country, it should be equally applicable to states and their political subdivisions. Anything else will result in a cost-shift as is now occurring with sponsored aliens.
- Affidavits of Support need to be a legally binding, enforced contract and linked to the specific time-limited provisions that may be adopted.
- Sponsors must be subject to the same documentation and income/assets verifications as are recipients. The IEVS and SAVE systems are existing vehicles.
- The definition and determination of incapacity disability from gainful employment needs to be strengthened. Loopholes currently exist and with increased consideration of time limits/exclusions, impartial and accurate health assessments will be critical.

Good morning, Mr. Chairman and members of the subcommittee.

I am Angelo Doti, the Director of Financial Assistance for the Social Services Agency, County of Orange, California. In California, counties are charged with carrying out Federal and State welfare programs.

OVERVIEW

Orange County is the fifth most populous county in the Nation. Increasingly, more of the 2.6 million county residents are being served by our Social Services Agency. Our county general population and welfare caseloads exceed that of many States. Approximately 22,000 persons apply monthly for various entitlement programs such as aid to families with dependent children (AFDC), Refugee Cash Assistance (RCA), food stamps and medicaid, as well as our own State-mandated general assistance program. Some are citizens and legal aliens; many are newly arrived from other countries. Over the years, we have become one of the most highly impacted refugee counties in the Nation with refugees (both time-eligible and time-expired) making up significant amounts of each welfare program caseload. Concerning IRCA, over 230,000 amnesty applications were filed in the initial year, with many former IRCA applicants now receiving public assistance.

In Orange County, newly arrived legal aliens do readily access entitlement and local health and cash assistance (general relief) programs. Civil rights laws require us to record numerous statistics about the welfare populations. The select graphics (attached) were prepared to reflect some data on the refugee and OBRA populations, exclusive of all other legal aliens in the combined caseloads.

ORANGE COUNTY STATISTICS

AFDC/RCA

- 28% of the persons on AFDC are immigrants/refugees (excludes children born of undocumented parents and RCA cases).
- 5% of the AFDC cases include IRCA amnesty aliens.
- 94% of refugees apply for RCA within the first two months of entry into the country.
- 40% of AFDC eligible refugees remain on aid five years or longer.

Medicaid

- OBRA 1986 (undocumented persons) doubled the eligible population, allowing access to restricted scope of services.

- OBRA recipients increasingly access medicaid. For medicaid only (excluding cash grant-related medicaid), the average eligibles rose from 15% in 1989 to 26% in 1994.
- Federal regulations and lawsuits have precluded our ability to verify alienage or income, thus making medicaid highly fraud prone and subject to excessive abuse.

General relief

- 68% of the general relief caseload are noncitizens. Of these:
  - 31% are sponsored aliens in the country less than five years.
  - 16% are refugees time-expired from the eight-month federal benefits of RCA
  - 21% are other legal aliens, such as former IRCA amnesty, who have adjusted to permanent legal status.
  - 82% of the sponsored aliens are 65 years or older. They tend to apply almost immediately upon their third year of United States residence and will undoubtedly remain on aid continuously until the five-year bar to SSI expires.

We do not administer the SSI program yet we are impacted by its policies. For example, sponsored aliens were barred from SSI for five years (formerly three years) effective January 1994. Unfortunately, the Federal affidavit of support (an unenforceable moral agreement) was not modified to coincide with this ineligibility period extension. The net effect was that sponsors presented their charges for local assistance shortly after the three years had passed. From the outset of the change, over 881 sponsored aliens in Orange County alone have been "transferred" from potential SSI rolls to local government—in short, a cost-shift—to fill the two-year gap until the recipients meet the five-year SSI eligibility period.

Also attached are case vignettes of sponsoring families concerning their declared assets to allow sponsorship. Typically, the sponsor is a couple who sponsor elderly parents who have few if any declared assets.

RECOMMENDATIONS

General

If the intent of Congress is to bar any group of noncitizens from public assistance programs, then steps must be taken for a universal exclusion that is applicable nationwide for all levels of government. States cannot exercise an option. In review of *Graham* v. *Richardson* (Arizona), Supreme Court of the United States, the courts held "that a State statute that denies welfare benefits to resident aliens and one that denies them to aliens who have not resided in the United States for a specified number of years violate the equal protection clause." Further, "the authority to control immigration to admit or exclude aliens—is vested solely in the Federal Government." Finally, "Congress does not have the power to authorize the individual states to violate the equal protection clause."

A similar ruling was reached years later in *El Souri* v. *Department of Social Services* (Supreme Court of Michigan).

If the Congressional intent is to allow States and their political sub-divisions the option to aid some noncitizens, then a cost-shift has and will continue to occur. Given the tenuous nature of local funding and Orange County specifically, it would appear that appropriate funding be transferred to states to cover the inevitable workload and benefit expense.

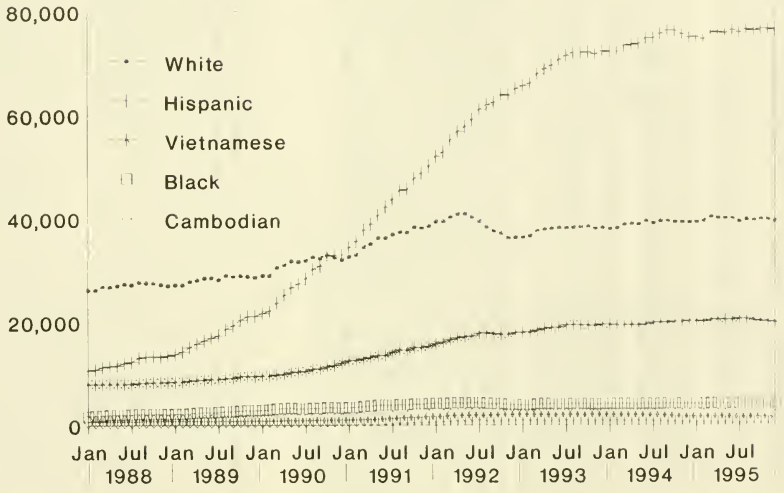
Specifics

From our lengthy operational experience, we further recommend that:

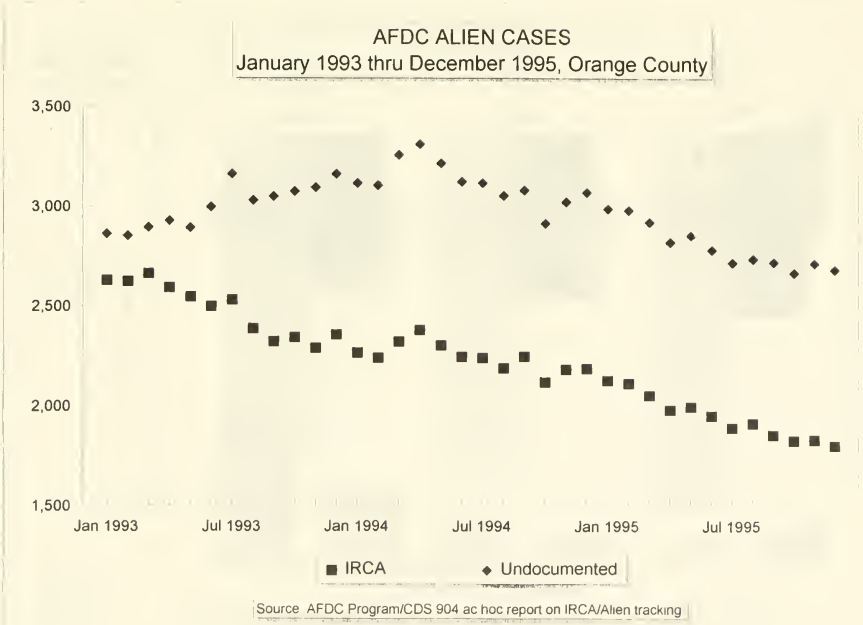
- Federal agencies enforce their "public charge" provisions currently in statute.
- Develop an enforceable affidavit of support as a legally binding contract and enforce penalties for willful violations/allegations of abandonment so prevalent today. Minimize exceptions to avoid circumvention.
- Require provision of the SSN by the sponsor and cover verification the same as recipients through the existing federal income and eligibility verification system (IEVS) and save automated systems.
- Coordinate the term of whatever time-limited/prohibition policies with the affidavit of support.
- Tighten the definition of incapacity and disability to only medical conditions that truly preclude gainful employment.
- Implement disability determination assessment policies that ensure findings that are valid and impartial, such as a disability review panel.

Thank you for the opportunity to present our views on these important topics. I am available to answer any questions by the subcommittee.

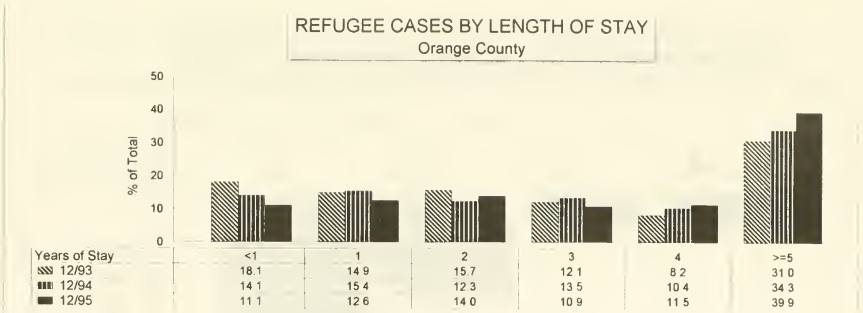
Total Financial Assistance Cases
(January 1988 - December 1995)

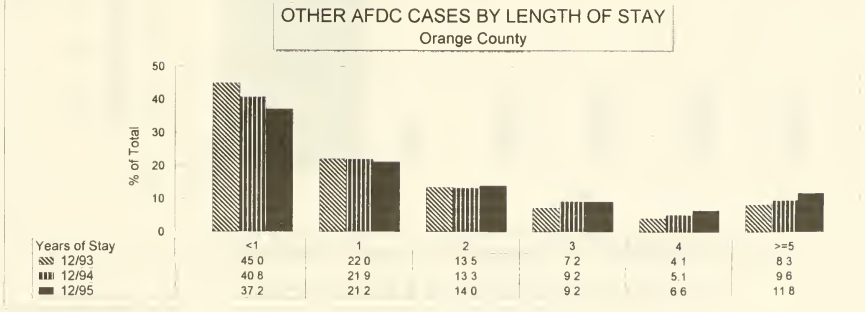


Not Included: All Others = 5%
Source: CDS 651 Reports

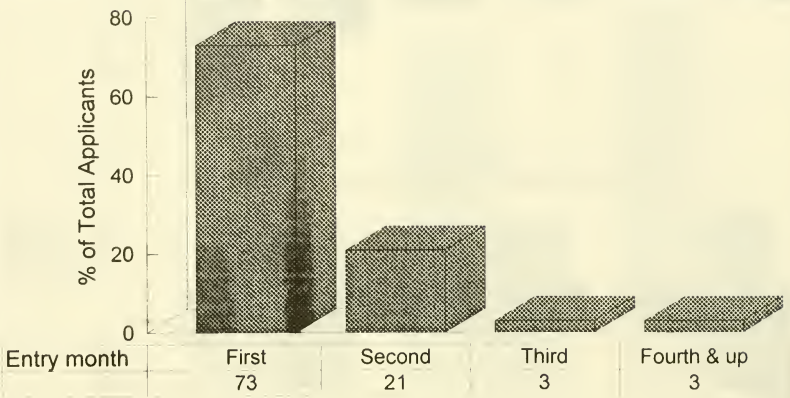

AFDC ALIEN CASES
January 1993 thru December 1995, Orange County
3,500
3,000
2,500
2,000
1,500
Jan 1993
Jul 1993
Jan 1994
Jul 1994
Jan 1995
Jul 1995
IRCA
Undocumented
Source AFDC Program/CDS 904 ac hoc report on IRCA/Alien tracking

MEAN LENGTH OF STAY OF AFDC CASES
Orange County
Years of Stay
5
4
3
2
1
0
12/93
3.9
1.9
12/94
4.3
2.1
12/95
4.8
2.3
Refugee
All Other


REFUGEE CASES BY LENGTH OF STAY
Orange County
% of Total
50
40
30
20
10
0
Years of Stay
12/93
12/94
12/95
<1
18.1
14.1
11.1
1
14.9
15.4
12.6
2
15.7
12.3
14.0
3
12.1
13.5
10.9
4
8.2
10.4
11.5
>=5
31.0
34.3
39.9


OTHER AFDC CASES BY LENGTH OF STAY
Orange County
% of Total
50
40
30
20
10
0
Years of Stay
12/93
12/94
12/95
<1
45.0
40.8
37.2
1
22.0
21.9
21.2
2
13.5
13.3
14.0
3
7.2
9.2
9.2
4
4.1
5.1
6.6
>=5
8.3
9.6
11.8

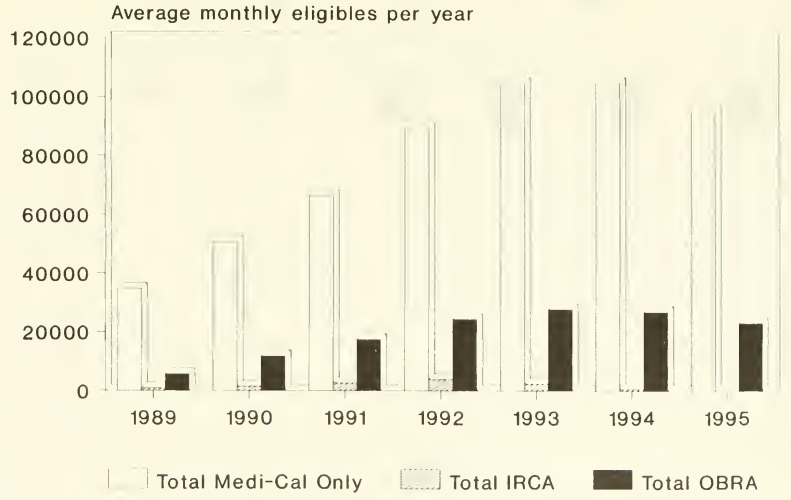
APPLICANTS BY MONTH OF ENTRY
Refugee Cash Assistance, Orange County



Percentage is an average based on 534 applicants with entry dates 7/95 thru 10/95.

Source: AFDC Program/CDS 904 ad hoc report on active refugee persons

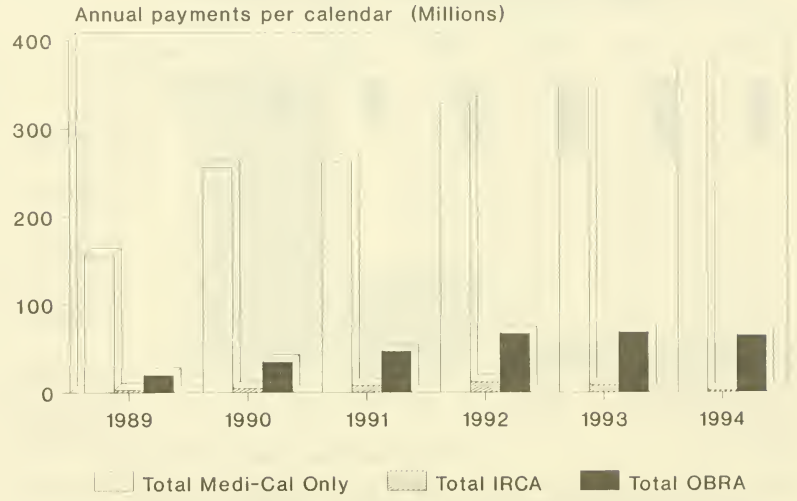
ORANGE COUNTY SOCIAL SERVICES AGENCY
IRCA/OBRA MEDI-CAL BENEFICIARIES



Source: DHS Statistical Report

RJM 1/96

ORANGE COUNTY SOCIAL SERVICES AGENCY
IRCA/OBRA MEDI-CAL PAYMENTS



Source: DHS Statistical Report

RJM 1/96

ORANGE COUNTY SOCIAL SERVICES AGENCY
IRCA/OBRA MEDI-CAL BENEFICIARIES

AVERAGE MONTHLY ELIGIBLES PER CALENDAR YEAR

Year	Total All Medi-Cal Only Eligibles	Total All IRCA Eligibles	% of Total IRCA Eligibles	Total All OBRA Eligibles	% of Total OBRA Eligibles
1989	34,718	793	2%	5,689	15%
1990	50,598	1,508	3%	11,871	23%
1991	66,496	2,679	4%	17,415	26%
1992	89,217	3,850	4%	24,420	27%
1993	104,729	2,443	2%	27,781	27%
1994	104,816	552	1%	26,847	26%
1995	95,459	0	0	23,122	24%

Footnote: Recent efforts at welfare and immigration reform at the Federal level have had some impact on the total OBRA population. As a result we have seen a decrease in application for this category with an increased demand for letters to submit to INS for legalization purposes.

As a further note, no figures are included for the IRCA population after December 31, 1994, as that program ceased to exist under Medicaid.

AVERAGE MONTHLY USAGE PER ELIGIBLES PER CALENDAR YEAR

Year	Total All Medi-Cal Only Users	Total All IRCA Users	% of Total IRCA Users	Total All OBRA Users	% of Total OBRA Users
1989	19,358	304	2%	2,027	10%
1990	23,314	575	2%	3,863	17%
1991	30,694	963	3%	5,487	18%
1992	41,902	1,492	4%	7,851	19%
1993	50,282	1,112	2%	8,844	18%
1994	54,261	313	1%	9,100	17%
1995	48,684	0	0	7,630	16%

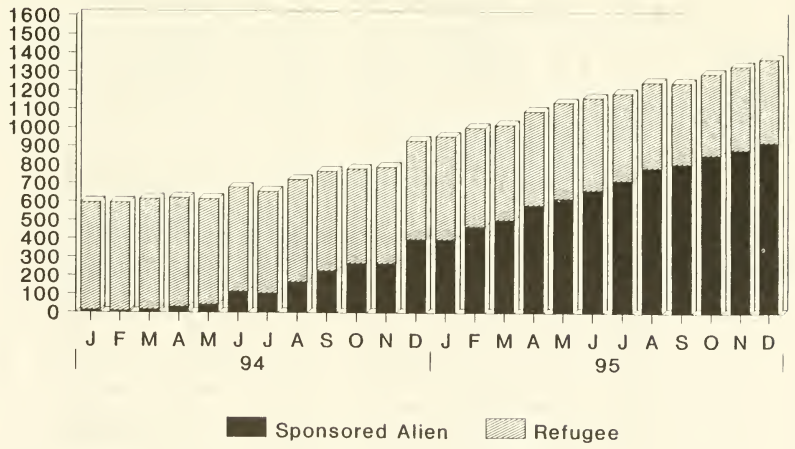
ANNUAL PAYMENTS PER CALENDAR YEAR

Year	Total All Medi-Cal Only Dollars Spent Per Calendar Year	Total For IRCA Users		Total For OBRA Users	
		Dollars	%	Dollars	%
1989	$156,083,947	$2,793,264	2%	$20,026,330	13%
1990	$256,113,082	$4,598,771	2%	$34,775,164	14%
1991	$263,148,399	$7,980,972	4%	$46,577,809	18%
1992	$328,724,550	$11,996,917	4%	$66,923,278	20%
1993	$347,561,122	$8,478,702	2%	$68,385,393	20%
1994	$376,699,501	$1,889,286	1%	$64,478,919	17%

Footnote: Because of current provider processing of claims, year end data for 1995 is not available at this time. It is estimated that the costs for Medicaid will be at least equal if not more than for 1994. It is to be noted that the costs for the OBRA population basically cover emergent and perinatal services which can be the most costly medical services that the program covers.

As the IRCA program ended December 31, 1994, there is no mechanism to identify service costs for that population. Costs for those persons who remained Medi-Cal eligible would be included in the total column with all other eligibles.

ORANGE COUNTY SOCIAL SERVICES AGENCY
PERSONS RECEIVING GENERAL RELIEF
SPONSORED ALIEN AND REFUGEE*



*Excludes all other alien categories
Source: GR 237 statistical worksheet

RJM 1/96

ORANGE COUNTY SOCIAL SERVICES AGENCY

REPORT ON THE IMPACT
OF SPONSORED ALIENS
ON THE LOCAL GENERAL RELIEF PROGRAM
IN ORANGE COUNTY, CALIFORNIA

2/1/96

This information illustrates the extent to which federal immigration and SSI eligibility policies affect caseloads and resulting expenditures on local programs.

General Relief expenditures for sponsored aliens, refugees, and all others.

MONTH/ YEAR	TOTAL GR CASELOAD EXPENDITURE*	90 Regular		93 Sponsored Aliens		94 Refugees	
		$$	%	$$	%	$$	%
7/95	$530,786	$304,402	57.3%	$129,746	24.5%	$96,639	18.2%
8/95	$539,976	$305,772	56.6%	$141,497	26.2%	$92,707	17.2%
9/95	$541,644	$302,588	55.9%	$148,953	27.5%	$90,103	16.6%
10/95	$746,820	$393,664	52.7%	$227,392	30.5%	$125,765	16.8%
11/95	$684,674	$370,506	54.1%	$201,898	29.5%	$112,269	16.4%
12/95	$687,188	$365,819	53.2%	$210,560	30.7%	$110,809	16.1%

* Expenditures increased in 10/95 due to grant supplements in all cases for medical.

The number of sponsored alien recipients who are 65 years old or over continues to increase. The following information provides a snapshot of the current sponsored alien caseload. All of the aided sponsored aliens have been in the U.S. between 3 and 5 years.

MONTH/ YEAR	# OF SPONSORED ALIENS AIDED	AGE					
		65 OR OLDER	%	60 - 64	%	UNDER 60	%
7/95	684	557	81.4%	80	11.7%	47	6.9%
8/95	747	608	81.4%	86	11.5%	53	7.1%
9/95	787	638	81.1%	93	11.8%	56	7.1%
10/95	825	672	81.5%	97	11.8%	56	6.7%
11/95	857	703	82 %	102	11.9%	52	6.1%
12/95	881	729	82.7%	100	11.4%	52	5.9%

Prior to 1994, the number of sponsored aliens receiving General Relief (GR) benefits in Orange County was insignificant.

Since the law changed permitting the Social Security Administration to change the alien sponsorship period from 3 to 5 years, the General Relief caseload has grown dramatically and continues to grow every month. The majority of the sponsored aliens affected by this change are elderly or incapacitated. As the sponsorship period under GR regulations is still 3 years, individuals who would have been eligible for SSI/SSP prior to and subsequent to the change, have turned to the GR Program for assistance. The majority of these aliens provide statements from their sponsors indicating that the sponsor will no longer provide support to the alien. Some sponsors cite changes in their living situation as the reason that they can no longer support the alien but most point out that the written agreement that was completed for INS has expired and believe that it is no longer binding.

Chart 1 illustrates the number of sponsored aliens approved for GR benefits in 1994 and 1995 whose 3 year period has expired:

CHART 1

MONTH/YEAR OF GR APPLICATION	(A) # OF SPONSORED ALIENS APPROVED WITH 3 YR PERIOD EXPIRED	(B) APPLIED FOR GR LESS THAN 30 DAYS FROM DATE OF EXPIRATION	(C) APPLIED FOR GR 30 TO 60 DAYS FROM DATE OF EXPIRATION	(D) APPLIED FOR GR MORE THAN 60 DAYS FROM DATE OF EXPIRATION
1/94	4	2	1	1
2/94	6	3	0	3
3/94	19	16	1	2
4/94	16	13	2	1
5/94	26	15	4	7
6/94	36	21	4	11
7/94	41	15	12	14
8/94	50	20	2	28
9/94	55	27	4	24
10/94	42	22	10	10
11/94	59	36	14	9
12/94	60	45	2	13
1/95	57	18	12	27
2/95	76	40	16	20
3/95	77	30	16	31
4/95	54	10	14	30
5/95	37	12	1	24
6/95	69	33	2	34
7/95	55	23	4	28
8/95	81	30	9	42
9/95	51	24	7	20
10/95	51	20	5	26
11/95	36	16	8	12
12/95	*31	7	8	16

* This number does not include 12/95 applications that remain pending

Columns B & C validate that many of these aliens are applying for GR immediately upon the expiration of the 3 year period.

Chart 2 indicates the number of sponsored aliens approved for GR benefits whose 3 year sponsorship period has expired. These aliens would have been eligible or potentially eligible to SSI/SSP prior to the change. It is likely that they will remain on GR until their 5 year period expires and they qualify for SSI/SSP.

CHART 2

MONTH/YEAR 3 YEAR SPONSORSHIP PERIOD EXPIRED	(A) AGE 65 YEARS OR OLDER	(B) INCAPACITATED AGE 60 - 64	(C) INCAPACITATED UNDER AGE 60
1/94 or prior*	23	34	19
2/94	11	9	2
3/94	18	4	3
4/94	23	5	5
5/94	43	4	4
6/94	36	6	0
7/94	26	8	3
8/94	60	7	8
9/94	62	13	9
10/94	51	11	6
11/94	50	11	6
12/94	70	13	10
1/95	66	17	3
2/95	59	15	4
3/95	22	4	1
4/95	10	2	0
5/95	18	7	3
6/95	42	4	1
7/95	28	4	2
8/95	23	4	2
9/95	32	5	3
10/95	22	2	0
11/95	5	0	0

* The 3 year sponsorship period expired prior to 1/1/94 for some of these aliens, however, the alien was not 65 years of age or incapacitated until after 1/1/94.

All of the individuals listed in Column A would be eligible for SSI/SSP based solely upon their age. Those in Column B would very likely be eligible for SSI/SSP based upon our experience in evaluating their medical conditions in combination with their advanced age. Some of those in Column C would also be eligible to SSI/SSP based upon their disability.

Orange County's GR expenditure for sponsored alien cases for the month of December 1993 was $2,428.00. GR expenditures for sponsored aliens for the month of December 1995 was $210,560.00. These figures illustrate the significant cost shift that is occurring because of this federal change. These costs will continue to rise as new applicants apply for aid when the 3 year sponsorship period expires. In addition, most will remain on aid continuously until eligibility to SSI/SSP exists.

Chart 3 supports the belief that once approved, very few sponsored alien cases are discontinued.

CHART 3

MONTH/YEAR	# OF CONTINUING CASES DISCONTINUED
12/94	5
1/95	4
2/95	9
3/95	6
4/95	9
5/95	13
6/95	8
7/95	13
8/95	6
9/95	5
10/95	7
11/95	4
12/95	14

The following are actual case situations that have occurred in Orange County, California involving sponsored aliens and those who sponsored them:

Son sponsored both parents. He requires his parents to pay $350 per month for rent and utilities. The sponsor son earns $87,772 annually and his wife earns $35,526. They own their own home, a BMW, and a Dodge. The son agreed to contribute $50 per month to his parents.

Son sponsored both parents. The son was supporting his parents but his wife is now pregnant and she does not want him to support his parents any longer.

Sister sponsored her sister, the husband remained in Vietnam. After receiving aid for approximately two years, it was discovered that the sponsor sister owns a restaurant and night club and the recipient works there every day. No income or resources had ever been reported. An article appeared in the local newspaper describing the night club and the $800,000 that was invested to decorate the club.

Son sponsored Vietnamese mother. The son's wife and his mother did not get along so the mother left. The son and his wife earn $80,000 annually and have $42,000 in a savings account.

Son sponsored Iraqi mother. The son's wife does not get along with the mother so the wife does not wish to support the mother any longer. The sponsor son transfers $4550 to a local bank account each month from a bank overseas.

Son sponsored parents. Son and wife earn $95,000 annually. They are willing to contribute $150 per month for now.

Adult mother and three adult children sponsored by daughter and son-in-law. No information was available regarding the sponsor who declined to support the mother and family and declined to provide any personal information. It was later discovered that the son-in-law was a practicing Medical Doctor.

A 77 year old Iranian man was sponsored by his daughter. He lives with his sponsor daughter who had been supporting him. She now states that she can no longer afford to support her father and he must now pay rent or move out.

An Iranian couple age 79 and 67 were sponsored by their daughter. They live with the sponsor daughter who provided for their needs the first three years in the county. Now the sponsor daughter states her parents must pay $350 per month rent or they must move out. An investigator made a home call and interviewed the sponsor who insisted that her parents would have to leave if they did not pay rent. The sponsor resides in a home in Laguna Hills valued at $450,000.

Vietnamese couple sponsored by their daughter. After applying for assistance several times and being denied because their sponsor was meeting their needs, they reapplied and stated their daughter would no longer provide support. Upon further investigation, they admitted their daughter was still meeting their needs.

Daughter sponsored 72 year old mother from Russia. The daughter met her mother's needs for the three year sponsorship period then brought the mother to the welfare office the following day. The mother has an apartment subsidized by HUD; her rent is $114 per month. The sponsor earns $95,000 per year but she states she strongly believes the state should support her mother now.

Son sponsored 80 year old father. He supported him during the three year sponsorship period but now states that he will no longer provide support for his father because he believes he should be self-sufficient.

A 62 year old Vietnamese woman was sponsored by her son. She was living with her sponsor son for the three year sponsorship period then moved to her daughter's home where she is required to pay monthly rent.

A 72 year old Vietnamese woman was sponsored by her two sons. One of the sons lives in Laguna and lists the value of his home at $450,000 on the affidavit of support. The woman lives with her daughter who charges her for rent and other expenses.

An 80 year old Vietnamese man sponsored by his son. At the conclusion of the three year sponsorship period, the son refused to support his father so he moved to the home of a niece who charges him for rent and utilities.

A Vietnamese woman entered as a refugee in 1981. She received federal refugee cash assistance immediately and then transitioned to General Relief and has been aided continuously since 1982. She recently applied for SSI and alleged that she was older than her immigration documentation declares. The SSI application was denied and she remains on General Relief.

Senator SIMPSON. Now, Lavinia Limon, please.

STATEMENT OF LAVINIA LIMON

Ms. LIMON. Thank you. Good morning. Mr. Chairman and members of the subcommittee, I have submitted written testimony, so

I will only provide a summary this morning. I want to thank you for the opportunity to appear before you.

I am the Director of the Office of Refugee Resettlement, as you stated, and the Office of Family Assistance. I have worked with refugees and immigrants both overseas and domestically for over 20 years and believe that the discussion on the utilization of public assistance by immigrants is of vital importance. It cuts across two major public policy issues being addressed by the administration and the Congress—immigration reform and welfare reform.

Also with me today is Jack Ebeler, the Deputy Assistant Secretary for Health Policy at the Department of Health and Human Services, and Mr. Ebeler will address your questions concerning health issues.

The Office of Refugee Resettlement was created by the Refugee Act of 1980, which established the framework for selecting refugees for admission to the United States and for providing Federal resettlement assistance. The Office of Family Assistance is the Federal agency that administers Aid to Families with Dependent Children, AFDC, the Nation's largest cash assistance program, and the Jobs, Opportunities and Basic Skills Training Program, commonly known as JOBS, which helps people on welfare become self-sufficient.

Because refugees often rely on AFDC to sustain their families during resettlement, we have had the unique opportunity to develop new ways of approaching refugee dependency in those areas of the country where there exists a problem. For example, the State of New York has developed a comprehensive privatized refugee resettlement program in New York City, one of the largest resettlement sites in the country, using both Office of Refugee Resettlement and Office of Family Assistance resources. Staff from both ORR and OFA have joined staff from the State of California and its counties and launched the California Initiative. The California Initiative has been enormously successful in devising new approaches to helping refugees become self-sufficient.

Conversely, since the refugee program has emphasized early employment throughout its history, the lessons learned about diversion from accessing benefits, jobs placement, post-employment services, and eliminating barriers through self-sufficiency have been brought to bear within the AFDC and JOBS programs.

I would like briefly to review data derived from the ORR's 23d annual survey conducted in 1994 of a national sample of refugees who were selected from the population of all refugees who arrived between May 1, 1989, through April 30, 1994.

The 1994 refugee survey found that about 57 percent of the refugees surveyed were self-sufficient. Forty-three percent were receiving some form of cash assistance, 24 percent on AFDC, 5 percent on refugee cash assistance, 7 percent on Supplemental Security Income, SSI, and 7 percent on general assistance.

Comparing the 1994 data with the 1993 indicates the refugee welfare dependency rate is going down. In 1993, the dependency rate was 48.7 percent and in 1994 it was 43 percent. Overall, findings from ORR's 1994 survey indicate that refugees face significant problems upon arrival in the United States, but that over time many refugees find jobs and move toward economic self-sufficiency

in their new country. Much depends on their own backgrounds and where they resettle.

Most immigrants who enter the U.S. must show that they are unlikely to become a public charge. The U.S. admits refugees because they have a well-founded fear of persecution because of race, religion, nationality, membership in a particular social group, or political opinion. Refugees do not have private sponsors who sign affidavits of support, nor are they admitted because they have a particular employment skill, educational attainment, or relative able to support them.

Their admission is based on humanitarian grounds and they often arrive traumatized from war, in ill health, with little or no resources and lacking in English language skills. For these reasons, the law exempts refugees from the public charge restrictions. As stated earlier, ORR's mission is to help refugees become self-supporting as quickly as possible, and I believe we have made substantial progress in this regard.

While my remarks focus principally on refugees in AFDC programs, I would like to note a CBO study entitled "Immigration and Welfare Reform" that was published 1 year ago. CBO found that, with the exception of SSI, immigrants generally are no more likely to use public assistance than native-born residents. CBO found that in 1992, citizens represented 95 percent of all recipients of AFDC, legal permanent residents about 4 percent, and newly arrived refugees about 1 percent. In sum, CBO found that in 1992, about 4.7 percent of recipients of AFDC were legal immigrants, about the same as their percentage in the U.S. population.

As I indicated before, we have focused the refugee program resources on newly arrived refugees, and I will, since I have gone past my time, leave the rest to questions. Thank you.

Senator SIMPSON. Thank you very much.

[The prepared statement of Ms. Limon follows:]

PREPARED STATEMENT OF LAVINIA LIMON

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to appear before you this morning. I am the Director of the Office of Refugee Resettlement (ORR) and the Office of Family Assistance (OFA). I have worked with refugees and immigrants both overseas and domestically for over twenty years and believe that the discussion on the utilization of public assistance by immigrants is of vital importance because it cuts across two major public issues being addressed by the Administration and the Congress—immigration reform and welfare reform.

Also with me today is Jack Ebeler, the Deputy Assistant Secretary for Health Policy, at the Department of Health and Human Services. Mr. Ebeler will address your questions concerning health issues.

The ORR was created by the Refugee Act of 1980, which established the framework for selecting refugees for admission to the United States and for providing Federal resettlement assistance. This assistance is provided principally to help refugees and their families achieve economic self-sufficiency and social adjustment as soon as possible after their arrival in the United States.

The OFA is the Federal agency that administers Aid to Families with Dependent Children (AFDC), the nation's largest cash assistance program and the Jobs Opportunities and Basic Skills Training (JOBS) programs, which helps people on welfare become self-sufficient.

Because refugees often rely on AFDC to sustain their families during resettlement, we have had unique opportunities to share information and develop new ways of approaching refugee dependency in those areas of the country where there exists a problem. For example, the State of New York has developed a comprehensive, privatized, refugee resettlement program in New York City—one of the largest resettlement sites in the country—using both ORR and OFA resources. Staff from

both ORR and OFA have joined staff from the State of California and its counties and launched the California Initiative (CI). The CI has been enormously successful in devising new approaches to helping refugees become self-sufficient. Conversely, since the refugee program has emphasized early employment throughout its history, the lessons learned about diversion from accessing benefits, job placement, post-employment services, and eliminating barriers to self sufficiency have been brought to bear within the AFDC and JOBS programs.

ELIGIBILITY OF ALIENS FOR PUBLIC ASSISTANCE

Under current law, undocumented aliens and most legal nonimmigrants are ineligible for the major Federal means-tested public assistance programs, including food stamps, AFDC, Supplemental Security Income (SSI), and Medicaid, with an exception for emergency medical assistance under Medicaid.

Most legal immigrants qualify for these programs on the same basis as citizens with an exception for sponsored immigrants. Under current law, sponsored immigrants' access to public assistance is limited because a sponsor's income and resources are usually taken into account when determining eligibility. We refer to this calculation as "deeming."

ALIEN UTILIZATION OF PUBLIC ASSISTANCE

At this time, while we do not have citizenship data in all the programs that the Administration for Children and Families administers, we do have data on immigrant utilization of AFDC and refugee public assistance.

I would like briefly to review data derived from the Office of Refugee Resettlement's 23rd survey, conducted in 1994, of a national sample of refugees who were selected from the population of all refugees who arrived between May 1, 1989 through April 30, 1994, and then review data derived from the 1993 Quality Control program about immigrant utilization of AFDC.

The 1994 survey showed that welfare utilization varied considerably among refugee groups. Non-cash assistance utilization was generally higher than cash assistance.

The 1994 refugee survey found that about 57 percent of the refugees surveyed were self-sufficient, 43 percent were receiving some form of cash assistance: 24 percent on AFDC, 5 percent on Refugee Cash Assistance, 7 percent on Supplemental Security Income (SSI), and 7 percent on state and local General Assistance programs. A comparison of 1994 data with 1993 data indicates that refugee welfare dependency rate is going down. In 1993, the dependency rate was 48.7 percent; in 1994 it was 43 percent.

Slightly more than 50 percent of all refugees reported that their medical coverage was provided through Medicaid or Refugee Medical Assistance and that the utilization rates varied widely among ethnic groups—from a low of 23 percent for Eastern European refugees to a high of 71 percent for non-Vietnamese refugees from Southeast Asia.

About 27 percent of all refugee households sampled had received AFDC in the past 12 months, slightly higher than the proportion reported in the previous survey. Approximately 20 percent of refugee households had at least one household member who had received Supplemental Security Income in the past 12 months. This rate is almost unchanged from the previous year's 19 percent. Refugees from the former Soviet Union, with about 13 percent of their five year population over 65, utilized SSI most often, with 28 percent of their households receiving SSI. By contrast, only about one percent of Latin American refugees were 65 or over and less than three percent of their sampled households received SSI.

Overall, findings from ORR's 1994 survey indicate that refugees face significant problems upon arrival in the United States but that over time many refugees find jobs and move toward economic self-sufficiency in their new country. Much depends on their own backgrounds and on where they resettle in the United States.

Many other studies conclude that refugees, while a relatively small percentage of all immigrants admitted to the United States, represent a disproportionate share of immigrant participation in public assistance programs. There are many explanations for this including the fact that refugees are admitted to the United States for very different reasons than other immigrants.

Most immigrants who enter the U.S. must show that they are unlikely to become a public charge. Those who are admitted could be excluded if they do, in fact, become public charges. The United States admits refugees because they have a well-founded fear of persecution because of race, religion, nationality, membership in a particular social group, or political opinion. Refugees do not have private sponsors who sign affidavits of support, nor are they admitted because they have a particular

employment skill, educational attainment, or a relative able to support them. Their admission is based on humanitarian grounds and they often arrive traumatized from war, in ill health, with little or no resources and lacking in English language skills. For these reasons, the law exempts refugees from the public charge restrictions. As stated earlier, ORR's mission is to help refugees become self-supporting as quickly as possible, and I believe we have made substantial progress in this regard.

Of course, refugees are not the only noncitizen recipients of public assistance. You will hear later from a panel of experts, some of whom have written extensively on the broader issue of noncitizen utilization of public assistance.

While my remarks focus principally on the refugee and AFDC programs, I would like to note a Congressional Budget Office study entitled, "Immigration and Welfare Reform" that was published one year ago. Like some of the panelists slated to testify later, CBO found that with the exception of SSI, immigrants generally are no more likely to use public assistance than native-born residents. Working with the AFDC and food stamp programs, the CBO found that in 1992 citizens represented 95 percent of all recipients of AFDC, legal permanent residents about 4 percent, and newly arrived refugees about one percent. The food stamp program's percentages were virtually identical. In sum, CBO found that in 1992, about 4.7 percent of recipients of AFDC were legal immigrants, about the same as their percentage of the U.S. population.

Estimating Medicaid utilization is more difficult but CBO did note that they estimated about 6.5 percent of Medicaid recipients were legal immigrants.

Our own review of the AFDC program's Quality Control (QC) System showed that in 1993 just 4.8 percent of the AFDC caseload were noncitizens, about the same as the 1992 QC figure of 4.6 percent. The 1992 percentage from our QC data is virtually identical to the percentage cited in CBO's 1992 study discussed earlier.

HEALTH INSURANCE REQUIREMENT

In your letter, you asked us to comment on a proposed requirement that all immigrants that enter under the classification for parents have health insurance and long-term care insurance before they enter.

This requirement would impose a mandate upon purchasers of health insurance that, absent a corresponding mandate that insurers offer such coverage on an equitable basis, would set standards that are virtually impossible to meet. Imposition of this requirement could come at the expense of family reunification.

Private health insurance policies, equivalent Medicare Part A and B and long term care benefits provided under Medicaid, are currently unavailable commercially, in part because premiums for such coverage would simply be unaffordable. Our preliminary estimates indicate that, for parents age 65 and over, coverage for Medicare-comparable acute care benefits plus a Medicaid-comparable long-term care policy would cost $9,000 or more per person per year.

Insurers often require medical examinations and tests before they will offer individual acute care or long-term care policies, and are unlikely to accept tests performed outside the United States. However, this still would require a demonstration of health insurance coverage prior to entry into the United States.

To the extent this requirement would necessitate reliance upon state insurance departments to determine the acceptability of individuals policies, to monitor, and to enforce continued coverage, and to convey this information to consular officials worldwide, additional resources would be required to fund this additional administrative burden on the state.

The long-term care insurance requirement is especially problematic. The long-term care insurance industry is in its infancy. Availability, type and quality of benefits, consumer safeguards, and regulation by State insurance departments all vary widely. It is not known whether current premiums will provide sufficient revenue to pay promised benefits many years in the future.

Immigration laws should serve to strengthen U.S. citizen families. These requirements, however unintentionally, erect unnecessary barriers to U.S. citizens being reunited with their parents.

CONCLUSION

I know that during the past year you have heard testimony from other witnesses who have outlined actions the Administration has taken on a wide variety of immigration-related issues. When the emotional and controversial issues of immigration and welfare reform connect, real progress is sometimes overlooked.

We are working with state and local officials and with public and private organizations to change the culture of the welfare office, making it a place where families can get help while they look for work. Throughout the country, the welfare system

is being reformed by emphasizing self-sufficiency and personal responsibility. We have granted 53 welfare reform waivers to 37 States so they may experiment with policies and tailor their programs to local circumstances. Partnerships are being forged as they never have been before, and this welfare reform is affecting immigrants and refugees, as well as citizens.

As I indicated to you last August during our consultations on refugee admissions, we believe the domestic refugee resettlement program is in a position to meet the needs of refugees today while being able to respond effectively to a changing, and often unpredictable, world refugee situation. More than ever before, we have focused the refugee program's resources on the newly-arrived refugee while encouraging refugee specific, culturally and linguistically appropriate services. We also welcome changes in the welfare system that will encourage refugees to obtain early employment because our experience shows that working is the best and fastest way to achieve language competency, social adjustment, and self-sufficiency.

Thank you for this opportunity and I would be pleased to answer any questions you may have.

Senator SIMPSON. Now, Susan Martin, please.

STATEMENT OF SUSAN MARTIN

Ms. MARTIN. Thank you, Mr. Chairman and members of the subcommittee. On behalf of the members of the U.S. Commission on Immigration Reform, I want to thank you for the opportunity to testify today. I ask that my full testimony be submitted to the record and will summarize my points.

Senator SIMPSON. So ordered.

Ms. MARTIN. First, I would like to say that I appreciate your comments about our late Chair, Professor Barbara Jordan. She had accepted appointment as Chair of the commission because of a deep commitment to having a true and honest debate on immigration policy, and she was very proud of the work of the commission, very grateful to the members of this subcommittee for all of the courtesies that you showed to her, and all of us are very much committed to working very hard in the next 2 years to ensure that the commission's work continues to live up to the high standards that she set for us, and we do look forward to continuing to work with you.

That immigrant utilization of SSI is growing is confirmed by administrative data. Rather than go into the details on that, which I do in my written testimony, and has been mentioned in the previous testimony today, let me note the commission's recommendations briefly, along with their reasoning. These recommendations were set out in our first two reports to Congress.

First, the commission believes that the safety net provided by needs-tested programs should continue to be available to those whom we have affirmatively admitted as legal immigrants into our communities. The U.S. admits immigrants on the basis that they will not become a public charge. We believe that this should continue to be the basis for admission.

However, circumstances may arise after an immigrant's entry that create a pressing need for public help—unexpected illness, injuries sustained because of a serious accident, loss of employment, death in the family. Under such circumstances, legal immigrants should be eligible for public benefits if they meet other eligibility criteria. The commission is not prepared to remove the safety net from under individuals who we hope will become full members of our polity.

The second point, however, is that sponsors should be held financially responsible for the immigrants that they bring into the country in order to ensure that our public charge provisions work. In particular, the commission recommends making affidavits of support signed by sponsors legally binding for a specific period of time and the development of mechanisms to enforce sponsors' pledges of financial responsibility.

It is important to note here that the affidavit of support only becomes a condition of entry when a consular officer finds that the intending immigrant is likely to become a public charge. In other words, if the sponsor did not promise to provide support, the immigrant would not be allowed entry into the United States. This is a quid pro quo. We believe that the promise of the sponsor should have greater force in law in order to ensure that the responsibilities are upheld, having been granted the privilege to have an immigrant enter.

The period of time during which the affidavit should remain in force, we believe, depends on the immigrant admitted. The commission believes that the admission of elderly parents who would otherwise be denied entry as a public charge should be contingent on a commitment of lifetime support because it is highly unlikely that the parent will become self-supporting after entry. In fact, a strong potential for deteriorating health increases the likelihood that the parent will become a public charge in the absence of such a commitment. By contrast, the requirements of affidavits for spouses and children could be time-limited because most of these individuals are or will be of working age and can become self-supporting.

To return to parents, the commission believes that the affidavit signers should provide verifiable assurances that they have the capacity to provide both financial assistance and health coverage for the parents. We also ask that the Federal Government develop a mechanism by which the sponsors can buy into Medicare as a means of committing to this responsibility.

We understand that the cost of the Medicare part of it would be in the $4 to $5,000 range per year, with additional costs for coverage of long-term care. We recognize that this is a steep cost, but it is a cost that is currently borne by the U.S. taxpayer. The system should be set up, however, to permit creative approaches that will help parents reunify with their children, the intention being not to bar that reunification, but to facilitate it. If a parent is joining several children, they should be able to share the cost of providing both financial and medical support of their parents.

Historically, many ethnic groups have established mutual aid societies that help support new immigrants. In fact, my father entered under just that very type of arrangement when he came here from Eastern Europe. Such associations could help underwrite the cost of medical insurance for sponsored parents.

Since I have run out of time, let me say just briefly that the third provision that we believe must be in place is to assure that the abuse of the public charge provision should be effective grounds for deportation. We believe that sustained use of public assistance during the first 5 years for a condition that existed prior to entry should be more effectively used as a grounds for deportation.

I would be happy to answer questions about other aspects of my testimony in the time to follow.

Senator SIMPSON. Thank you very much.

[The prepared statement of Ms. Martin follows:]

PREPARED STATEMENT OF SUSAN MARTIN

On behalf of the Members of the U.S. Commission on Immigration Reform, I want to thank you for the opportunity to testify before you today.

First, I would like to say a brief word about our Chair, the late Professor Barbara Jordan. Professor Jordan accepted appointment as Chair because she believed that debate about immigration policy and reform of its problem areas were necessary if we were to retain our strong tradition as a nation of immigrants committed to the rule of law. I know that she was very proud of the work of the Commission, and grateful to the members of this Subcommittee, in particular, for the support you have given the Commission, as well as for the many courtesies you showed her as Chair. We hope that the rest of the Commission's work in fulfilling the mandate of the 1990 Act, with a series of interim reports before the final report on September 30, 1997, will live up to the high standard she has set for us.

The Commission is pleased that this Committee continues to examine the eligibility of immigrants for public benefits, with particular attention to the Supplementary Security Income program. The Commission strongly recommends that legal immigrants continue to retain eligibility for the safety net provided by needs-tested public programs, but further recommends a tightening of provisions to ensure that immigrants do not become public charges.

It would appear that the disproportionate use of benefit programs by immigrants is confined largely to the Supplemental Security Income program for the aged, blind, and disabled.

Two specific groups of immigrants tend to utilize SSI—refugees and the elderly. Refugees who are disabled or elderly qualify for SSI immediately upon entry. The public charge provisions of the Immigration and Nationality Act [INA] are waived for refugees, many having lost all of their possessions and some having spent years in refugee camps. Not surprisingly, given their experiences, a significant number of refugees arrive with disabilities that prevent their immediate entry into the workforce.

The access of other elderly or disabled immigrants to SSI depends on the basis upon which they are granted admission to the United States. If they would have been excludable as a public charge in the absence of an affidavit of support from a sponsor, immigrants generally may not access SSI for five years after entry. The income of their sponsors is taken into account in determining if they meet the income eligibility rules for SSI. Elderly or disabled immigrants without sponsors and those in the country for more than five years are eligible on the same basis as other residents.

That immigrant utilization of SSI is growing is confirmed by administrative data. The total number of new applications per year for SSI more than doubled over the period 1982 to the present. The total number of applications by immigrants almost tripled. As a result, the number of aliens receiving aged benefits increased from 92,000 in 1982 to 459,220 in 1995. The number of blind and disabled aliens increased from 36,000 in 1982 to 326,190 in 1995.

In 1995, immigrants represented more than 12 percent of the total SSI caseload and about one-third of the aged caseload, compared to 3 percent and 6 percent, respectively, in 1982. The increase for the disabled caseload was equally significant, from 1.6 percent in 1982 to more than 6 percent in 1995. About 25 percent of all immigrants receiving SSI are legal immigrants who are not likely to have sponsors—primarily refugees, but also asylees, parolees, and others. The remaining 75 percent are legal permanent residents who are likely to have sponsors. About 52 percent of non-refugee immigrants receiving SSI as of December 1994 had applied within 71 months of their entry into the United States; by contrast, 22 percent applied after being in the United States for 12 years or more. The former are likely to have entered at or near retirement age, while the latter likely arrived at an earlier age, possibly worked in the United States, but retired without sufficient Social Security income.

Seen another way, the proportion of age-eligible immigrants who utilize SSI is higher than in the native-born population. According to Census Bureau data, 23 percent of the noncitizen foreign born population receive SSI, as compared to 7 percent of naturalized citizens and 4 percent of citizens by birth.

The age distribution of immigrant SSI recipients differs markedly from those of citizens. Almost 70 percent of immigrant SSI recipients are 65 years of age or older. Only 1.2 percent are under the age of 18. By contrast, less than 30 percent of U.S. citizen recipients of SSI are 65 years of age or older, and 15 percent are under the age of 18.

Consistent with the overall distribution of the immigrant population, California has the largest number of SSI recipients, more than 322,000 representing 41 percent of the immigrants receiving SSI. New York with 123,000, Florida with 78,000, Texas with 57,000, Illinois with 26,000 and New Jersey with 25,000 each represents the other major residences of SSI recipients. The principal source countries are also consistent with overall immigrant trends. For non-refugee immigrants, Mexico represents the largest number of SSI recipients (126,000), followed by Cuba and China with 42,000 and 40,000 SSI recipients, respectively. Among refugees, residents of the former Soviet republics account for 60,000 recipients and Vietnam 27,000.

That elderly immigrants disproportionately use SSI is not too surprising when one considers eligibility criteria for the main source of income for the elderly, the Social Security program. Social Security requires beneficiaries or the spouses of beneficiaries to have worked for forty quarters, which is ten years. It is much more likely that native-born Americans as compared with immigrants will meet the work-quarter requirement. Most, though not all, Social Security recipients would be income ineligible for SSI. By contrast needy elderly who do not receive Social Security generally qualify for SSI. This is even more apparent when examining the utilization rates for foreign-born by period of entry. Only 4.2 percent of foreign-born persons who immigrated in the 1980's received Social Security income in 1989, compared to 29 percent of the foreign-born persons who entered before 1980.

These data can be interpreted in various ways. Some believe that elderly immigrants, sponsored by their families, have always intended to apply for SSI benefits as soon as the deeming restrictions are removed. They argue that, at the time of entry, these elderly individuals have no intention of being self-supporting and that their sponsoring relatives have no intention of honoring their sponsorship role beyond the deeming period, creating precisely the situation the public charge provision is supposed to prevent. Others point out that many immigrants apply for SSI not because of their need for income support but because it is the gateway to medical coverage through Medicaid.

What is clear is that sponsors and their elderly immigrant relatives are merely following the rules of program eligibility as they have evolved over the years. So what do we do about this? The Commission believes the following principles should guide policy on benefits eligibility for SSI.

LEGAL IMMIGRANTS

First: The safety net provided by needs-tested programs should be available to those whom we have affirmatively accepted as legal immigrants in our communities. The U.S. admits immigrants on the basis that they will not be a public charge. However, circumstances may arise after an immigrant's entry that create a pressing need for public help—unexpected illness, injuries sustained due to a serious accident, loss of employment, a death in the family. Under such circumstances, legal immigrants should be eligible for public benefits if they meet other eligibility criteria. We are not prepared to remove the safety net from under individuals who, we hope, will become full members of our polity.

A policy to categorically deny legal immigrants access to such safety nets based solely on alienage would lead to gross inequities between very similar individuals and undermine our immigration goals to reunite families and quickly integrate immigrants into American society. For example, posit a family whose income is below poverty level with two children, one a legal immigrant who becomes disabled after entry, the other a healthy U.S. citizen born after the family immigrated. Under proposals to deny benefits to legal immigrants, the disabled child would be ineligible for assistance, while the healthy U.S. citizen child would be eligible for assistance if the family met income requirements.

The inequities for the legal immigrant child grow if eligibility is linked to citizenship, rather than a specified time, since the child may not naturalize, by law, until he or she is eighteen years of age. The only route to citizenship prior to that age is through the naturalization of his other parent. If there were a categorical denial of eligibility to all legal immigrants and the parent is unable or unwilling to naturalize, the child would suffer the consequences of a parental action that he or she cannot remedy.

Second: Sponsors should be held financially responsible for the immigrants that they bring to this country. In particular, the Commission recommends making affi-

davits of support signed by sponsors legally binding for a specific period of time and the development of mechanisms to enforce sponsors pledges of financial responsibility.

Affidavits of support are one means to ensure the Consular Officer that the alien will be supported in the United States and will not become a public charge. In accordance with Board of Immigration Appeals (BIA) rulings, the signatory sponsor's ability to provide the promised support must be given due consideration in determining whether to exclude a person as likely to become a public charge. Some courts, however, have held that such affidavits of support impose only a moral—and not a legal—obligation on the signatory sponsor.

Thus as affidavits are not legally enforceable, assurance that the alien will not become a public charge has relied primarily on the "deeming rules" applied by the statutory requirements that apply to sponsored immigrants in three federal means-tested entitlement programs—AFDC, SSI and Food Stamps. The deeming rules apply only to sponsored immigrants and are not used if a sponsored immigrant becomes blind or disabled after entry into the U.S., if an immigrant's sponsor has died, or if a sponsor's income and resources are depleted unexpectedly after the immigrant's entry. Also, refugees are statutorily exempt from deeming rules since their entry is based on humanitarian considerations rather than on family unity.

In 1993, the sponsor deeming period for SSI was temporarily extended to five years after admission. This change, authorized for a period of two fiscal years, resulted in savings that financed an extension of the Emergency Unemployment Compensation program. This use of immigrant eligibility revisions for budgetary advantage is a precedent that has opened the door to further revisions to immigrant eligibility in the current debate on welfare reform.

This extension of the deeming period for SSI resulted in part from the increased attention to the public charge issue and in part to data showing a rapid increase in SSI utilization by immigrants, many of whom are elderly and sponsored by their families. The one conclusion that can be unequivocally drawn from the data is that the deeming policies have generally been effective in preventing sponsored immigrants from receiving federal welfare benefits during the deeming period. However, under federal welfare benefits programs the deeming rules apply even if immigrant sponsors are not actually providing financial support to the immigrant they have sponsored. As the affidavit of support has been judicially interpreted as a document that is not legally binding, there is currently no legal procedure to compel sponsors to actually provide such support. It is possible that a sponsor may refuse to provide financial support to the immigrant, but due to the sponsors income and resources, the immigrant may also be ineligible for federal welfare benefits as a result of the deeming rules. The immigrant, may, however, be eligible for state and local assistance programs as these programs do not generally take into account sponsor's income in determining eligibility for benefits.

There are no data to indicate the prevalence of such sponsor abandonment of immigrants. Some experts argue that such cases are relatively rare, particularly in situations were the sponsor is a close relative of the immigrant, such as a son or daughter of an elderly immigrant. Some states and localities complain, however, that sponsored immigrants utilize their programs while awaiting the end of the deeming period for federal programs. Making the affidavit of support a legally binding document is necessary to close this loophole in the current sponsor deeming policies.

The period of time during which the affidavit should remain in force depends on the immigrant admitted. The Commission believes that admission of an elderly parent who would otherwise be denied entry as a public charge should be contingent on a commitment of lifetime support because it is highly unlikely that the parent will become self-supporting after entry. In fact, a strong potential for deteriorating health increases the likelihood that the parent will become a public charge in the absence of such a commitment. By contrast, the requirements of affidavits for spouses and children could be time limited because most of these individuals are or will be of working age and can become self-supporting. Alternatively, the affidavit may be framed to ensure that the sponsor provides support for the greater of either a specified time or the duration of the family relationship. For example, a parent could be required to be financially responsible for a child until the child reaches the age of majority or a specified number of years, whichever is longer.

Let me return to the admission of parents and explain more fully the Commission's recommendation to make admission contingent on a legally enforceable affidavit of support. First, it is important to note that the affidavit of support only becomes a condition of entry when the consular officer finds that the intending immigrant is likely to become a public charge. In other words, if the sponsor did not promise to provide support, the immigrant would not be allowed to enter the United

States. We believe this promise should have greater force in law to ensure that the responsibilities are upheld.

The affidavit should ensure that parents who are unable to work enough quarters to become eligible for Social Security or Medicare do not become a burden to taxpayers through use of SSI, Medicaid, or equivalent state and local assistance. Further, the Commission recommends that affidavit signers (petitioners and, if necessary, co-guarantors) should provide:

- Verifiable assurance that they indeed have the capacity to provide what may be a lifetime of financial support to the parents immigrants; and
- Verifiable assurance of the purchase of what may be a lifetime health coverage for the parent immigrants (obtained either privately or through buying into Medicare, which the government should make available at an actuarially fair price).

Second, requiring such a commitment from sponsors should not be confused with a bar on eligibility for the immigrant before or after naturalization. As I stated, the Commission recommends against categorical denial of eligibility on the basis of alienage. Legal immigrants and citizens should be treated alike as far as their eligibility is concerned. If a sponsor is no longer able to provide support, the needy immigrant should have recourse to public benefits. If the sponsor abandons his or her responsibility, the needy immigrant should have recourse to public benefits. All efforts should be made, however, to enforce the sponsor's legal responsibility to repay the public coffers and reassume support as quickly as possible.

The distinction between eligibility and financial responsibility is an important one that affects not only immigrants but citizens as well. For example, a U.S. citizen child may be eligible to receive public benefits if he or she meets income criteria, but the child's eligibility does not dissolve his or her parent from the financial responsibility to provide support to the child. Similarly, a U.S. citizen spouse retains eligibility for benefits, but that does not absolve his or her spouse from financial responsibilities. To enforce these responsibilities, public benefit programs have developed mechanisms to assess the income of the responsible party in determining eligibility. If the income is not actually available to the child or spouse, and the financially responsible person is living in a separate household, the needy individual may obtain public aid. The benefits program may, however, try to recoup the public resources provided to the eligible person and require the financially responsible parent or spouse to fulfill their obligations.

The equivalent relationship in immigration policy is the affidavit of support signed by sponsors of new immigrants. Under the Commission's recommendation, the affidavit would continue to be in force independent of whether the parent becomes a naturalized citizen because the sponsor voluntarily signed a contract pledging such support. As stated above, eligibility for aid and responsibility for providing support are separate issues. The now U.S. citizen parent clearly would be eligible for public assistance, as would any other U.S. citizen, but the sponsor would still be required to fulfill the financial responsibilities specified in the affidavit. Just as a parent's responsibility for a child is irrespective of the child's citizenship, the sponsor's responsibility for a parent whose entry is conditioned on a contractual arrangement specified in the affidavit is irrespective of future naturalization.

The Commission further recommends that entry be contingent on verifiable assurance of the purchase of health insurance, again for the lifetime of the parent or until the parent becomes eligible for Medicare on the basis of his or her work history. Without such a health insurance requirement, parents are likely to access taxpayer financed health programs such as Medicaid or general assistance. We recognize that such a requirement may be prohibitively expensive for many families, particularly if the parent is over the age of 65. The current private health care market generally lacks affordable health plans covering doctor, hospital and long-term care services for elderly individuals. Moreover, most private long-term care policies are limited in both duration and extent of coverage. Therefore, we recommend that the government establish an option that would allow sponsored parents age 65 or older to purchase Medicare (parts A and B) at an actuarially fair price, which we understand would be about $4,000 to $5,000 per year. On top of that, the parent or sponsor would also have to show purchase of a long-term care policy that would offset some or all of the costs that might otherwise accrue to Medicaid.

The Commission does not intend a legally binding affidavit of support to be a punitive measure towards either the sponsor who attempts to meet the requirements in good faith or the immigrant who may be financially abandoned by the sponsor. If the sponsor becomes financially incapable of providing support because of changed circumstances (the sponsor's illness or accident, for example), the requirements of the affidavit would be removed until the sponsor was able to resume them. If the immigrant is abandoned, however, the legally-binding affidavit permits the immi-

grant to obtain help while the efforts are made to enforce the sponsor's responsibility.

Thus, we see this proposal as an enforcement of obligation and responsibility on the part of the sponsor who has promised financial support and for the protection and well-being of the immigrant. This recommendation permits the continued entry of parents because it would assure that they would not be excludable as public charges who pose a burden to U.S. taxpayers. It also protects sponsored spouses and children by enforcing affidavits signed on their behalf, and ensuring that assistance is available to them if the sponsoring parent or spouse is unable or unwilling to provide support. Finally, it protects the taxpayer. As Professor Jordan said in a speech last summer:

> (E)ven nuclear family reunification is not without obligations on the part of those who benefit from immigration. The Commission believes that those who sponsor new immigrants have responsibility for ensuring that their relatives do not become a burden on taxpayers. You and I should not have to pay for someone else's family reunification.

Developing effective enforcement mechanisms related tot he affidavit is critical to the success of this recommendation, in order to avoid creating any incentives in the future to abuse or defraud the system. Administrative procedures would need to be developed that would ensure that sponsors could be located and investigated, and reimbursements collected, when immigrants they have sponsored become eligible for assistance. Unlike the current child support enforcement system which is implemented by state agencies, the affidavit would be a contractual relationship between the federal government and individual sponsors and immigrants. A number of options may be appropriate for the enforcement of affidavits, including a role for the Department of Justice in investigating alleged abdications of responsibility which lead to use of public benefits. Federal, state, and local programs providing cash and medical assistance could be required to report the receipt of benefits by any sponsored immigrant to the Department of Justice. This approach would establish affidavit enforcement activities within the primary law enforcement agency, and avoid placing additional enforcement burdens on health and social service programs. Alternatively, the enforcement could be undertaken by the Department of Health and Human Services or the Social Security Administration.

In any case, communication among these agencies would be essential. There may be data sources within the health and human service systems or in the INS databases that would expedite location and investigation of sponsors and should be made available to the entity charged with affidavit enforcement. The enforcement mechanism should also be compatible with similar efforts on behalf of other populations. In particular, there are current proposals to expedite enforcement of child support orders, and if such proposals are enacted and they prove useful in affidavit enforcement, they should be made available for that purpose.

Third: Abuse of the public charge provision should be grounds for deportation. A serious effort should be made to enhance and enforce the public charge provisions in immigration law to ensure that legal immigrants do not require public assistance and to provide clear procedures for deporting individuals who become public charges within five years after entry for reasons that existed prior to entry. In particular, the Commission recommends that deportation apply to sustained use of public benefits.

Specific provisions within U.S. immigration law are designed to ensure that those persons seeking admission to this country will contribute to it, not merely to take advantage of its resources and the generosity of its people. For example, U.S. immigration law currently bars the entry of those who are likely to be a public charge and contains provisions for the deportation of individuals who become public charges within five years—unless they require aid for reasons that developed after entry. Effective enforcement of these provision helps minimize the number of legal immigration who need or depend on public assistance.

REFUGEES

Let me conclude with a few words about refugees and their eligibility for SSI. The Commission is currently undertaking a full examination of the domestic assistance program for refugees resettled in the United States. My remarks here are more personal, based on fifteen years of work on refugee issues, than on behalf of the Commission. The high rates of welfare dependency has long been a concern to all of us who have interest in maintaining a strong U.S. commitment to refugee admissions. Certainly, many refugees become economically self-sufficient and important contributors to our economy and broader society. However, a significant proportion of refu-

gees continue to receive public assistance many years after their entry. Some refugees clearly need significant levels and periods of assistance. It is unreasonable to assume that an elderly, seriously traumatized refugee will become self-supporting. Barring that person from eligibility for SSI after a specified period undermines the humanitarian nature of our original decision to admit him or her. But, many more refugees are dependent on public programs, including SSI, than can be explained by the presence of this relatively small number of seriously disabled victims of persecution.

Welfare reform provides an opportunity to revisit the refugee assistance program. So too does the expected change in the number and composition of refugee admissions once resettlement has wound down in the two major, Cold-War-related programs for admission of refugees from the former Soviet Union and Southeast Asia. I hope that the Congress will give the Commission time to finish our investigation and consultations with the Executive Branch, private resettlement agencies, state governments and others before adopting changes in SSI or AFDC policy that could have significant ramifications for refugee resettlement.

I will be glad to answer any questions.

Senator SIMPSON. Now, Jane Ross, please.

STATEMENT OF JANE L. ROSS

Ms. ROSS. Good morning, Mr. Chairman and members of the subcommittee. Thank you for inviting me to speak about the rapid growth in the number of noncitizens receiving Supplemental Security Income. I would like to focus on three issues: the growth and characteristics of the noncitizen SSI caseload, the aged noncitizens and how financial support from their families affects SSI benefits, and disabled noncitizens and the potential for translator fraud.

First, a bit of an overview. In December 1995, 785,000 noncitizens were receiving SSI benefits. These Federal and State SSI benefits to noncitizens totaled nearly $4 billion. Non-citizens are only about 12 percent of the SSI caseload, but they are somewhat more likely to receive SSI than are citizens. Roughly 3 percent of noncitizens receive SSI, as compared with 1.8 percent of citizens. One reason for that may be that the noncitizens typically have limited U.S. work histories, much more limited than lifelong residents, and therefore qualify for smaller Social Security benefits. This, in turn, makes noncitizens more likely to qualify for SSI.

I want to move from the general characteristics of noncitizen beneficiaries to discuss recipients who are age 65 and over. As you have already heard, at the end of last year noncitizens were nearly a third of the aged SSI cases. The reason for noncitizens representing such a large part of the aged SSI caseload results at least in part from the way in which the sponsorship and deeming provisions work. You know a great deal about the affidavits of support. I won't go over those.

SSI deeming provisions attempt to reinforce this immigration policy. In determining financial eligibility and benefit levels, SSA deems a portion of a sponsor's resources to be available to the immigrant, and this provision applies regardless of whether a sponsor is actually supporting the immigrant or not.

When we look at the characteristics of aged SSI recipients, they raise questions about whether immigration and deeming policies have been effective in ensuring that immigrants will be self-sufficient. Some data suggests that many immigrants apply for SSI or other welfare benefits shortly after the deeming period of affidavits of support expire. Specifically, about 25 percent of immigrants receiving SSI applied for benefits within a year after the deeming pe-

riod expired. When aged immigrants come to the United States with few personal resources and are too old to work, we really should examine carefully how they will be supported.

Turning just briefly to disabled recipients, as you probably know, the overall SSI disabled caseload for both citizens and noncitizens has been growing very rapidly in recent years, although noncitizens have been growing more rapidly. Perhaps the most significant factor contributing to this overall growth for citizens and noncitizens is the criteria for qualifying as disabled. In particular, broader standards for mental impairments were implemented in the late 1980's.

But beyond those factors that affect both the citizens and noncitizens, translator fraud also may contribute to disabled caseload growth, and this fraud occurs primarily in noncitizen cases. Some non-English-speaking applicants have obtained SSI benefits illegally with the help of translators. For example, a Washington State translator arrested for fraud had helped at least 240 immigrants obtain SSI benefits by coaching them on which medical symptoms to claim and by providing false information on their medical conditions and family histories.

The Congress and SSA and several States have initiated efforts to try and detect and prevent fraudulent SSI claims involving translators, but we think SSA could do more, in particular, using their own bilingual staff in a much more effective way and not giving all the choice of where to apply for benefits to the applicants.

Let me summarize. Non-citizens are one of the fastest growing groups of SSI recipients. Two aspects of this growth are particularly worrisome. First, adult children of aged immigrants say they are willing to financial support their relatives, but sometimes do not. Eventually, many of these aged immigrants receive SSI. Second, there is some translator fraud which occurs among noncitizens who don't speak English. We don't know precisely how much of this abuse and fraud occurs, but we believe it can be reduced.

This concludes my testimony.

[The prepared statement of Ms. Ross follows:]

PREPARED STATEMENT OF JANE L. ROSS

Mr. Chairman and Members of the Subcommittee: Thank you for inviting me to speak about the rapid growth in the number of noncitizens receiving Supplemental Security Income (SSI) benefits. The SSI program provides means-tested income support payments to eligible aged, blind, or disabled persons. In 1994, over 6 million SSI recipients received nearly $22 billion in federal benefits and over $3 billion in state benefits. SSI is one of the fastest growing entitlement programs; program costs grew 20 percent annually from 1991 through 1994.

Noncitizens, who include legal immigrants and refugees, accounted for nearly 25 percent of the growth in SSI from 1986 through 1993. In December 1995, 785,000 noncitizens were receiving SSI benefits, accounting for about 12 percent of all SSI recipients. In 1995, federal and state SSI benefits to noncitizens totaled nearly $4 billion.

Today, I would like to discuss the growth in noncitizen SSI caseloads. In particular, I want to focus on (1) aged noncitizens and how financial support from their families affects SSI benefits and (2) disabled noncitizens and the potential for translator fraud.

To summarize, noncitizens are one of the fastest growing groups of SSI recipients. They represent nearly one-third of aged SSI recipients and about 5.5 percent of disabled recipients. About two-thirds of noncitizen SSI recipients live in three states-California, New York, and Florida. On the whole, noncitizens are somewhat more likely to receive SSI than citizens, but this may be primarily true for refugees and

asylees. Adult children of aged immigrants and others who say they are willing to financially support them sometimes do not. Eventually, many of these aged immigrants receive SSI. Also, some translators assist noncitizens in fraudulently obtaining SSI disability benefits.

This testimony is based on two reports we issued last year relating especially to immigrants and SSI.[1]

BACKGROUND

The Congress established the SSI program in 1972 to replace federal grants to similar state-administered programs, which varied substantially in benefit levels and eligibility requirements. The Congress intended SSI as a supplement to the Social Security Old Age, Survivors, and Disability Insurance programs for those who had little or no Social Security coverage.

Federal SSI benefits are funded by general revenues and based on need, unlike Social Security benefits, which are funded by payroll taxes and, in effect, are based on the contributions of individuals and their employers. The Social Security Administration (SSA) has overall responsibility for the SSI program.

To be eligible for SSI, individuals must be 65 years old, blind, or disabled. To be considered disabled, adults must be unable to engage in any substantial gainful activity because of a physical or mental impairment expected to result in death or last at least 12 months. Individuals cannot have income greater than the maximum benefit level, which is about $5,600 per year in 1996, or own resources worth more than $2,000, subject to certain exclusions, such as a home. Individuals must also be U.S. citizens or immigrants lawfully admitted for permanent residence or noncitizens "permanently residing under color of law" (PRUCOL).[2]

Most SSI recipients are generally eligible for Medicaid and food stamps, which can cost more than SSI benefits themselves. For 1994, annual Medicaid benefits averaged about $2,800 for the aged SSI recipients who received them and about $5,300 for blind and disabled SSI recipients, excluding long-term care costs. Including long-term care, Medicaid benefits averaged about $8,300 for the aged and $7,700 for the disabled. In September 1994, a one-person household eligible for both food stamps and SSI, with no other income, could receive nearly $1,000 per year in food stamp benefits, depending on the state.

SSI provisions for noncitizens and related immigration policy

The term "noncitizens" has a different meaning than "immigrants," which will be defined below. In addition to immigrants, noncitizens on SSI include refugees and asylees as well as undocumented aliens legalized by the Immigration Reform and Control Act of 1986 (IRCA).

"Immigrants" are those with "lawful permanent resident" status. They include those who came here after obtaining an immigrant visa in their country of origin. They also include noncitizens already living here who have changed to this status. Since immigration statuses change and SSA data do not usually reflect these changes, we describe the status SSI recipients had when they applied for benefits.

"Refugees" and "asylees" are noncitizens who are unable or unwilling to return to their countries of nationality because of persecution or a well-founded fear of persecution. Refugees apply for their status from outside the United States, while asylees apply from within. Both are eligible for permanent resident status after 1 year of continuous presence in the United States.

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[1] Supplemental Security Income: Growth and Changes in Recipient Population Call for Reexamining Program (GAO/HEHS–95–137, July 7, 1995); Supplemental Security Income: Disability Program Vulnerable to Applicant Fraud When Middlemen Are Used (GAO/HEHS–95–116, Aug. 31, 1995).

[2] PRUCOL is not an immigration status, such as immigrant or refugee. Rather, it is an eligibility status defined in the enabling legislation for major federal assistance programs, including SSI. PRUCOL is more frequently a transitional status for noncitizens who are becoming permanent residents than for those whose deportation has been delayed, though it can be either. Initially, PRUCOL was interpreted to include primarily refugees and asylees. Court decisions have broadened it to include other categories of noncitizens. Nearly 75 percent of SSI recipients in the PRUCOL category are refugees or asylees.

In 1995, the maximum federal SSI benefit was $458 per month for an individual and $687 for a couple with both spouses eligible; these benefit rates are adjusted annually for cost-of-living increases. This monthly benefit is reduced depending upon various factors: recipients' incomes; living arrangements, such as living with family; and other sources of support, including Social Security benefits. As a result of these adjustments, the average monthly benefit in 1994 was $325.

In addition to federal SSI benefits, states may provide supplemental benefits. In December 1994, roughly half of SSI recipients received an average of about $110 per month in state supplemental benefits at a total cost to the states of about $3.5 billion a year.

Some legal immigrants are admitted to the country under the financial sponsorship of a U.S. resident. The Immigration and Nationality Act of 1952, as amended, provides for denying permanent resident status to noncitizens who are likely to become public charges. Noncitizens can demonstrate they will be self-sufficient in several ways, including getting a financial sponsor. Sponsors sign an affidavit of support assuring the U.S. government that the immigrant will not become a public charge and in which they state they are willing and able to provide financial assistance to the immigrant for 3 years. However, several courts have ruled that these affidavits of support are not legally binding. Refugees and asylees do not need to demonstrate they will be self-sufficient to reside in the United States.

SSI's "deeming" provisions, which apply only to immigrants with financial sponsors, attempt to reinforce immigration policy. In determining financial eligibility and benefit levels, SSA deems a portion of a sponsor's resources to be available to the immigrant. This provision applies regardless of whether a sponsor is actually providing financial support. This provision currently applies for 5 years from the immigrant's entry into the United States.[3]

OVERVIEW OF NONCITIZEN SSI RECIPIENTS

From 1986 through 1994, the number of aged or disabled noncitizen SSI recipients grew an average of 15 percent annually. In 1986, noncitizens constituted about 6 percent of all SSI recipients; by 1994, their proportion had grown to nearly 12 percent. In 1995, noncitizens received nearly $4 billion in federal and state SSI benefits.

Refugee and asylee cases are growing somewhat faster than immigrant cases, averaging 18 percent growth annually from 1986 through 1993 compared with 15 percent. Refugees and asylees constitute a larger share of SSI's disabled noncitizen population than SSI's aged population, 23 percent compared with 16 percent.

The growth in U.S. immigration since 1980 could help explain the dramatic growth of both aged and disabled SSI cases. The number of immigrants rose steadily in the 1980s, from about 500,000 per year early in the decade to 1.5 million in 1990, then fell to 900,000 in 1993. Altogether, the number of immigrants totaled more than 7.3 million in the 1980s. Roughly half of these did not need to demonstrate they would be self-sufficient.

Noncitizens are more likely to receive SSI than citizens: roughly 3 percent of noncitizens receive SSI compared with 1.8 percent of citizens. One reason that may partially explain this is that noncitizens typically have more limited U.S. work histories than life-long residents do and therefore qualify for smaller Social Security benefits. This, in turn, may make noncitizens more likely to qualify for SSI.

Still, the likelihood of receiving SSI probably varies for different types of noncitizens. Refugees and asylees may be more likely than citizens to receive benefits. They are not subject to sponsorship and deeming provisions and may qualify for benefits immediately after arriving here. Immigrants admitted through normal procedures may be no more likely or even less likely than citizens to be on SSI; data limitations make it difficult to say.[4]

About 46 percent of noncitizen recipients applied for SSI within 4 years of entering the United States. Roughly 5 percent of SSI immigrants applied within a year of entry compared with 52 percent of the remaining SSI noncitizens, such as refugees.

Noncitizen beneficiary profile

Fifty-one percent of noncitizens on SSI come from six countries—Mexico, the former Soviet Union, Cuba, Vietnam, the Philippines, and China. However, rates of growth vary substantially by country of origin. For example, among these six countries, annual caseload growth ranged from an average of 11 percent for Cuba to 33 percent for the former Soviet Union.

About 20 percent of noncitizens on SSI also qualify for Social Security benefits, compared with 40 percent of all SSI recipients. When looking at aged SSI recipients alone, the contrast is even greater. About 22 percent of aged noncitizens on SSI

[3] The Congress temporarily extended SSI's deeming period from 3 to 5 years from January 1994 through September 1996. However, in the affidavits of support, sponsors only say they are willing to provide support for 3 years.

[4] Data limitations that prevent drawing firmer conclusions include the following: (1) the general population data we examined estimated the noncitizens' status on the basis of country of origin rather than their actual status and (2) SSI data about noncitizens reflect their status at the time of application and not upon entering the United States. See Michael Fix and Jeffrey S. Passel, *Immigration and Immigrants: Setting the Record Straight* (Washington, D.C.: The Urban Institute, 1994), pp. 19–22, 34, and 63–67.

qualify for Social Security compared with over 60 percent of all aged recipients. Those noncitizens who do qualify for Social Security tend to get smaller Social Security benefits and larger SSI benefits compared with other SSI recipients.

About two-thirds of noncitizen SSI recipients live in three states—California, New York, and Florida. Average annual growth rates for noncitizens varied from 7 percent in Maine to 27 percent in New Mexico.

AGED RECIPIENTS AND SSI DEEMING PROVISIONS

Nearly 70 percent of noncitizens on SSI are at least 65 years old. Without the growth in noncitizen cases, SSI's aged population would have decreased 10 percent from 1986 through 1993; instead, it remained relatively level. The aged noncitizen caseload grew an average of 14 percent annually during this period, increasing from 9 percent of aged cases to 23 percent. In December 1995, noncitizens were nearly one-third of aged cases. In 1993, the average federal SSI monthly benefit was $304 for aged noncitizens compared with $188 for all aged recipients.

Nearly 60 percent of aged noncitizen SSI recipients have been in the country fewer than 5 years. This raises questions about whether immigration policies have been effective in ensuring that immigrants will be self-sufficient. SSI's deeming provisions apply only to immigrants with financial sponsors. Some data suggest that many immigrants apply for SSI or other welfare benefits shortly after the deeming period or affidavits of support expire. About 25 percent of immigrants receiving SSI applied for benefits within a year after the deeming period expired. Furthermore, some affluent sponsors refuse to support the immigrants they sponsor, especially after the affidavits of support expire, but we do not know how many.

In considering changes to financial sponsorship or SSI deeming policies, it is worth noting that immigrants may respond by changing their behavior. For example, restricting benefit eligibility may prompt more immigrants to become citizens to retain their eligibility. Also, immigrants who lose eligibility for federal welfare programs may turn to state-funded public assistance programs, thus shifting costs to the states. For example, the Orange County, California, Social Services Agency reported a significant cost shift to its General Relief program as a result of the extension in the SSI deeming period from 3 to 5 years.

DISABLED RECIPIENTS AND TRANSLATOR FRAUD

While disabled recipients constitute a smaller share of noncitizen cases than aged recipients, their number is growing faster, averaging 19 percent growth annually from 1986 through 1993. Noncitizens increased from 3 percent of disabled cases to 5.5 percent during this period.

The growth in noncitizen disabled cases somewhat parallels dramatic growth in citizen cases. With some exceptions, the factors contributing to growth in the overall SSI disabled caseload may be driving the growth in noncitizen caseloads. Such factors include (1) increased outreach, (2) limited efforts to return disabled recipients to work, and (3) limited efforts to periodically review their disability status.

Perhaps the most significant factor contributing to caseload growth was changes in the criteria for qualifying as disabled. New and broader standards for mental impairments were implemented in the late 1980s. Since then, disabled cases with psychiatric diagnoses have accounted for a large share of the caseload growth.

These changes to the mental impairment standards may have also contributed to growth in noncitizen caseloads involving mentally disabled adults. In recent years, about 25 percent of disabled citizen cases had a psychiatric diagnosis compared with nearly the same proportion of disabled noncitizen cases, 28 percent.

Translator fraud may add to disabled noncitizen caseload

Translator fraud may contribute to disabled caseload growth and occurs primarily in noncitizen cases. Some ineligible non-English-speaking applicants have obtained SSI benefits illegally with the help of translators. The actual number of people who have done so is unknown. A translator, also sometimes referred to as a "middleman," is a person or organization that provides translation and/or other services for a fee to help individuals apply for SSI.

For example, a Washington State translator arrested for fraud had helped at least 240 immigrants obtain $7 million in SSI benefits by coaching them on which medical symptoms to claim and by providing false information on their medical conditions and family histories. In California, at least 6,000 potentially fraudulent applications have been identified since July 1992. Of these 6,000 applications, about 30

percent represent SSI claims that were being paid.[5] Mistakes in accurately determining disability are costly. Given that the average time on disability is 11 years before recipients reach age 65, we estimate that a single ineligible SSI recipient can receive a total of about $113,000 from SSI, Medicaid, and the Food Stamp program.[6]

A combination of factors contributes to SSI's vulnerability to fraud involving translators. First, SSA has management practices and bilingual staff shortages that allow applicants to use translators they select. For example, applicants may apply for benefits at the field office of their choice—SSA does not restrict applicants to offices in which SSA has staff who speak their language. In addition, applicants' medical histories often lack documentation. Applicants need translators at medical examinations. And finally, SSA has limited monitoring of translators, limited funds for investigations, and a lack of coordination with state Medicaid agencies.

The Congress, SSA, and several states have initiated efforts to prevent or detect fraudulent SSI claims involving translators. Federal legislation has made SSI fraud a felony and has given SSA access to information from the Immigration and Naturalization Service and the Centers for Disease Control and Prevention. SSA established a task force in April 1993 on translators that has suggested initiatives such as developing and managing a translator database. Also as a result of the task force, SSA's San Francisco regional office is periodically reviewing the disability status of possibly fraudulent cases involving translators.

In addition to these efforts, SSA needs a more comprehensive, programwide strategy for keeping ineligible applicants from ever being accepted on the SSI rolls. SSA could require that its own bilingual staff or contractors conduct interviews with non-English-speaking applicants and explore the use of video conferencing technology to maximize the use of SSA bilingual staff. SSA should also share among its field offices information it has already gathered about translators until the planned automated database is established. Furthermore, SSA should institute a mechanism to obtain regular access to investigative results of state Medicaid agencies.

SUMMARY

Noncitizens are one of the fastest growing groups of SSI recipients; their number grew an average of 15 percent annually from 1986 through 1993. To some extent, this parallels the rapid growth in immigration in the 1980s. Nearly 70 percent of noncitizens are at least 65 years old, but disabled caseloads are growing somewhat faster than aged caseloads. Refugees and asylees constitute about 18 percent of noncitizen SSI recipients, but their numbers are growing faster than other noncitizens'.

As a percentage of aged SSI recipients, noncitizens increased from 9 to nearly 33 percent from 1986 through 1995. Adult children of aged immigrants who say they are willing to financially support their relatives but sometimes do not. Eventually, many of these aged immigrants receive SSI. About 25 percent of immigrants receiving SSI applied for benefits within a year of the deeming period's expiration.

Regarding disabled noncitizen caseloads, some factors contributing to growth in citizen caseloads may also affect noncitizens. However, translator fraud occurs primarily in noncitizen cases. We do not know how often such fraud occurs, but we believe it can be substantially reduced.

This concludes my testimony. I would be happy to answer any questions.

Senator SIMPSON. Thank you so very much. I will take 5 minutes and then I will extend the time for my three colleagues to 8 to 10 minutes so they may make an opening statement, plus questions, and then we will have to conclude and move on.

Ms. Colvin, 31 percent of the legally admitted permanent residents who receive SSI for the aged applied 3 years after emigrating to the U.S., which, until recently, was the length of the deeming period for SSI. Could this fact indicate that a substantial number of those elderly recipients intended to use welfare or that system from the moment they arrived?

[5] About 1,800 of the 6,000 applications represent cases that could be subject to periodic reviews of a recipient's disability status. SSA had completed about 400 of these reviews as of June 1995.

[6] The actual total amount of $112,805 represents $50,688 from SSI, $55,396 from Medicaid, and $6,721 from food stamps. Some applicants ineligible for SSI could still be eligible for Medicaid, food stamps, or both.

Ms. COLVIN. Mr. Chairman, I don't know that we could make that conclusion. Clearly, the data does reflect that deeming works inasmuch as the individuals generally apply for SSI once the deeming period has expired. That is one of the reasons that we support deeming being extended through citizenship, but I am not certain that we could draw that conclusion.

Senator SIMPSON. Thank you. Mr. Doti, I have proposed in S. 269 a legally enforceable affidavit of support, which you recommend in your testimony.

Mr. DOTI. Yes.

Senator SIMPSON. What impact do you estimate that that kind of highly enforceable document would have on alien usage of the various programs that you administer in Orange County?

Mr. DOTI. Significant, absolutely significant. We know—again, we may not be typical and we are not speaking about the entire refugee or immigrant population as a whole. We are specifically impacted primarily by Southeast Asians and by our southern border, but what we do see in our field, in our true belief, would be a significant impact.

If I may touch just for 1 second on the question from the previous—attached to our formal text is a month-by-month documentation of the time it took for applicants to apply for public assistance when the 3-year bar was implemented. I have those figures here and it is startling. It is almost by the hour for application.

Senator SIMPSON. Ms. Limon, Professor Borjas has found considerable variation among immigrants from different countries in use of systems, welfare and others. Do you see a similar variation among different nationalities in the use of those systems by refugees, and how would you explain that?

Ms. LIMON. Yes, you do see that variation. Clearly, as Mr. Doti mentioned, Southeast Asians do have a greater proportion of use of the different cash and medical programs than refugees from Eastern Europe and other places around the country. I think we account for that in all the work that we have done. We see, obviously, language barriers. We see long periods of time in refugee camps as being a factor. We also see most recently in the last few years the majority of the Southeast Asians that have come have been former political prisoners who were over the age of 50 who spent extensive time in reeducation camps. Orange County, in fact, gets a high proportion of those people, and their ability to move quickly to self-sufficiency has been negatively affected by their experiences.

I would like to say, however, that we do have a California initiative going with Orange County and we are very pleased about that. We work closely with Diane Edwards, who is the refugee coordinator in Orange County, and we have several things going on, one of which is to mandate the concurrent provision of services instead of sequential services in terms of employment and ESL, and also to look at medical deferrals and have a second opinion, a board looking at those medical deferrals, a medical review team, with follow-up visits to the clients, to ensure that the medical deferrals that refugees submit are real, are appropriate, and that even with that, perhaps they have the ability to spend a few hours in the class-

room every day. So we are working closely with Orange County on that issue.

Senator SIMPSON. Let me come to Ms. Ross and then back to Susan Martin. The question I asked Ms. Colvin I would ask you on the 3-year deeming period and this dramatic rise. Do you think that some of these people intended to come here to use this system from the moment they arrived?

Ms. ROSS. I don't have any information to know whether that is true, but I would raise again what I said earlier. If you bring a set of people to the country who are too old to work and who clearly have no other means of support but their children, I think you have to be very careful about the conditions under which they are admitted.

Senator SIMPSON. And even more so if they have not contributed in any way to the system which is supporting them. Doesn't that become a serious problem in the United States to those people who are so worked up about this issue?

Ms. ROSS. I think there is a serious program integrity issue.

Senator SIMPSON. Isn't that it right there, in other words, if you come to the United States, whether you come for the intent or not, and you are a parent of 60 or 65 and you have put nothing into Social Security or SSI and suddenly you begin to draw and you draw the same benefit that a citizen draws?

So those are puzzling things for us and those are the things that give rise to Proposition 187 and these other things, and if we don't do something sensible, we will have one of those in every State in the Union. That is my view of where we are headed.

I am going to ask Susan questions in writing. You are so capable. Thank you for the work you do for the Commission.

Now, I will go to my friend, Paul Simon, and 8 to 10 minutes, and you can use your opening statement; then to Senator Grassley, then to Senator Feinstein, and we will try to move along. Senator Kyl, we welcome you to the hearing.

Senator KYL. Thank you, Mr. Chairman.

Senator SIMPSON. So, Paul?

Senator SIMON. I thank you. I think what is clear from the testimony is the area of great abuse is SSI. It is not the education programs or the other things.

Ms. Martin, let me, before I ask you a question, join Senator Simpson in praise of Barbara Jordan. One of the remarkable things about Barbara Jordan—and I served with her in the House and she was having physical problems when she was in the House. I never heard her complain once about her problems. You know, we were always talking about issues or whatever. It was just her nature.

Senator GRASSLEY. She didn't even want to talk about her own problems. She didn't even want to talk about her problems.

Senator SIMON. Yes. She was just—what a great, solid contribution she made.

For example, Ms. Ross—and three of you have commented on this—you say several courts have ruled that "These affidavits of support are not legally binding. Refugees and asylees do not need to demonstrate they will be self-sufficient to reside in the United States."

Why have the courts ruled that these are not legally binding? What is the basis, any of you?

Mr. DOTI. From what we have read, it is a moral contract, not a legal contract. *Valora* v. *County of San Diego* was another suit brought when a county attempted to hold that contract binding and the court simply ruled that it is simply a moral contract and we are talking an issue of ethics and not one that we can enforce.

Ms. MARTIN. In addition, I think the courts also recognize that the way in which the affidavit has been used has not been as a contract and the court rulings recognize that, that very often a consular office will receive three or four affidavits from people who are only tenuously related even sometimes to the applicant for admission into the United States. It is something that is added to the file rather than something that is really very seriously worked through to determine what the capabilities of support are.

Until it becomes a legally binding document, with regulations that determine under what circumstances it is needed and who is eligible to provide the assurances of support and what exactly they are being required to do, I think the courts will tend to continue to say that it doesn't have force.

Senator SIMON. What we ought to do as a subcommittee—and now we are at the full committee level—is, it seems to me, deal with the illegal immigration problem, and the No. 1 illegal immigration problem is this SSI. Would all of you agree that we should make this declaration of support legally binding?

Ms. COLVIN. The administration supports the affidavit becoming a legally binding instrument.

Ms. LIMON. That is correct. The administration supports that, and also supports making that document legally binding up until citizenship.

Senator SIMON. One of the things that we face, and my colleague, Senator Simpson—the two retiring members have been speaking here. You can bite off more than you can chew and not pass anything or you can figure out what practically we can pass. Beyond the SSI problem, if you were just to say—if I could just ask each of you, if we were just to do one thing beyond SSI and the problem of the illegal immigrant, what one thing should we—if you were to put that one extra piece into the puzzle in terms of trying to get sensible immigration legislation—and there is a danger on the floor that this thing is going to get emotional and we are going to do some things that really harm our country because immigrants have been a great plus for this country, what one thing beyond SSI would you do, if I may just ask each of you?

Ms. COLVIN. May I just mention, I will defer to my colleagues on what additional thing they might do, but an illegal noncitizen is not eligible for SSI. The person must be lawfully admitted for permanent residence or be a noncitizen here under the color of law. So nonlegal noncitizens are not eligible for SSI.

Senator SIMON. That is correct, but obviously we do have a major problem with the illegal immigrant.

Mr. Doti.

Mr. DOTI. Well, I agree that it should not be limited to SSI. I think you are talking about all entitlement programs or whatever may come with block-granting or welfare reform. We see it as a

broader brush. SSI is significant, I know, to the Federal Treasury, but for all of the other programs that we administer, they are far more sweeping in number.

Senator SIMON. Ms. Limon.

Ms. LIMON. The administration believes that for AFDC, SSI, and food stamps, we should lengthen the sponsorship responsibilities to the citizenship of the immigrant, and that the deeming of their sponsorship income to these means-tested programs will provide a situation where immigrants are more likely to become self-sufficient and not rely on these programs with a legally binding affidavit of support.

Senator SIMON. As you pointed out in your testimony, with the exception of SSI, those who come in legally are not excessive users of the various programs.

Ms. LIMON. That is what CBO found. A lot of other studies have found that, and we agree with that in our data in the AFDC Program, but the deeming until citizenship does make sense and would move people toward self-sufficiency, we believe.

Senator SIMON. Ms. Martin.

Ms. MARTIN. Of course, the Commission has provided recommendations in terms of both legal and illegal immigration reform, and I assume you are asking for the one thing perhaps beyond the public benefits issue. I would say there that the Commission is primarily concerned about the lack of prioritization in our legal immigration categories, as represented by the very, very large backlog of over 1 million spouses and minor children who are awaiting entry into the United States while less close family members enter.

We think that that type of separation undermines family values. It undermines our immigration policy in terms of priorities, and it creates problems in terms of impacts on the public sector, as well, because if we don't have strong, intact families, we run the risk of long-term problems in our society.

Senator SIMON. Ms. Ross.

Ms. ROSS. I don't so much want to propose something in addition, but just underscore for SSI the importance of both the affidavits of support and extending the deeming period.

Senator SIMON. I thank you. Thank you, Mr. Chairman.

Senator SIMPSON. Thank you, Paul, very much.

Chuck Grassley, please. Here is a man that has been in it from the beginning. He has got marks all over him.

Senator GRASSLEY. Most of them because of your leadership. [Laughter.]

Senator SIMPSON. Kennedy did it for a while, don't forget. I mean, he lashed you to death.

Senator GRASSLEY. Well, anyway, I appreciate being a part of this battle. I think the work of this subcommittee is not only very interesting, but very needed. Maybe for those inside the Beltway, I would explain that this is a broader issue than just dealing with illegal immigration from my perspective, and the reason I say inside the Beltway is because maybe you might not be aware of the fact that when we have town meetings, issues like immigration come up all the time.

I know that we are talking about legal immigration, and I don't think there is a whole lot of concern expressed about legal immigration, but I don't think our public separates legal immigration from illegal immigration. So we have to deal with it as if it is all one subject and it is difficult to try to sort out and explain the different points. Maybe in the process, we even make our job more difficult by enhancing the cynicism that people have toward us to begin with.

But on a bigger picture than I see what we are talking about here, as well as illegal immigration, to answer people's concerns about Government not working, people want their Government to work and they see not being able to solve the illegal immigration problem and control our borders as a problem, or they would see people coming to this country getting on public welfare programs as something that isn't right, as legal as it might be. They see that contributing to the deficits we have, and they also see it as contributing to those of us who are policymakers not really doing our job.

You know, maybe the attitude here in Washington is, well, all of this is fear toward aliens, a xenophobic sort of thing. I don't hear at least spoken resentment toward aliens. Maybe you do a little bit toward illegal aliens, but it is the emphasis upon "illegal," not on the alien. But it is just an attitude out there that we have got these problems and nobody seems to be doing anything about it, and it is costing us money and we aren't controlling our borders and Uncle Sam appears to be an "uncle sucker" for everybody to drain the economic blood from.

In regard to some of the issues that we are dealing with here, with the contract being morally binding versus legally binding, I suppose people would think—at least in the Midwest, people would think you make a contract and you ought to honor it, you ought to basically keep your word, and these sorts of things that I think are bigger issues that we need to be dealing with.

Illegal aliens and legal aliens taking advantage of the system is a very serious economic problem. It is a very serious legal problem, whether or not we have respect for law, but basically it is whether or not we can solve our problems and whether or not we want to solve our problems and whether we want to balance the budget, although that is a small aspect of the issue we are dealing with today.

So, that leads me up to a few questions that are more an effort to get information than anything else. I happen to be a member of the Finance Committee as well, and in that capacity have been dealing with issues of immigrant welfare benefits in some detail for now—well, now, about 12 months. One of the main arguments that we hear from opponents of changing the current system is that taxes paid by immigrants exceed welfare benefits. Norman Matloff, who is going to be on a later panel, makes the point that the problem with this comparison is that it doesn't take into account the non-welfare benefits immigrants get that everyone else ends up paying for.

Would you all agree with Mr. Matloff that immigrants pay less taxes but receive more welfare benefits per capita than non-immigrants? Maybe everybody can't answer that, but two or three of you

are working in the area where you ought to be able to contribute a definitive answer.

Mr. DOTI. Well, Senator, the only perspective we have on that—and I know this has been an issue that has been debated back and forth. A lot of the populations we see are working under the table, off the books. For the undocumented persons that you are referring to, by virtue of the fact that they are not able to work here legally means that they are using false documentation or they are performing tasks that are not—such as domestic work or construction work, in which they are not really being paid cash.

Some of our other groups, it is similar, so we know that it is not being paid into the Social Security and income tax system as normal taxpayers. That is the only observation that we have, and in our fraud investigations when we investigate these individuals and find out what they are doing, it is basically money that is going into their pockets. So it is a little hard for us to day that they are paying——

Senator GRASSLEY. You may be just speaking of undocumented workers, but I feel, and my question is based on the proposition that this is also a problem and an issue of study for legal immigrants, and I think that was the point that I was directing it at mostly, people who are here legally.

Mr. DOTI. To the extent that legal immigrants are working off the books as well—and that is an issue with us—yes, we find that they have self-employment, swap meets, sales, and what have you, but that is the only information we have.

Senator GRASSLEY. Yes, Susan?

Ms. MARTIN. I wish that were a question we could answer right now. We had an expert panel at the National Academy of Sciences going through every one of the cost-benefit analysis that has been done on payment of taxes versus utilization of services, and they felt that not one of them was really adequate to fully answer that question.

We have continued that panel and it is now undertaking some new research in trying to come up with a better methodology for being able to get that information to the commission so that we will have that information for you. The problem is that it all depends on what you are counting. If you are counting directly against public benefits, then probably immigrants do pay a bit more in taxes, or substantially in some cases more in taxes than they receive. If you amortize it over everything that taxes go to, you get a bit different picture.

Senator GRASSLEY. Let me please skip to another question because my time is up. Senator Simpson's bill requires that an elderly parent will have to prove insurability before coming to our country. Opponents to the bill argue that this requirement is unworkable. So an opinion on whether or not we should be more flexible and maybe require insurability within a certain period of time once they have arrived, or do you have any other ideas because I think your comments in this area would be very important?

Mr. EBELER. Senator, thank you. It is a very difficult area to figure out how to get health insurance for this population, and the difficulty is that the products in the individual insurance market for seniors that would match Medicare benefits and that would

match the long-term care benefits under Medicaid tend to not be available today, nor, to the extent they are available, to be affordable. We continue to try to look at different options in this area, but at this point it would be a provision that would be very difficult to implement.

Senator GRASSLEY. Yes?

Ms. MARTIN. The commission, as you may know, has recommended developing exactly that type of a program where there would be a possibility for sponsors of immigrants to buy into the Medicare program, with perhaps a supplemental long-term care policy that may or may not deal with the full array of things that Medicaid covers, but would at least help to defer some of the costs to the taxpayers involved in medical coverage right now.

We are particularly interested in that for those who enter as elderly and are likely to have requirements for some type of Medicaid coverage in the absence of support from their sponsors. As I said in my verbal testimony, we would hope that this could be developed in a way that would be flexible enough so that several children or relatives could contribute into a pool of money for that insurance, with perhaps some underwriting from some of the ethnic associations or mutual aid associations that have interest in ensuring continuing immigration. But we think that this should be a high priority to work out exactly those difficult details.

Senator GRASSLEY. Thank you. Thank you, Mr. Chairman.

Senator SIMPSON. Thank you, Chuck, and let the record show that the man that spoke was Jack Ebeler, with Health and Human Services, who was not introduced. Let the record also show that obviously there is a cost to the insurance, but the American people are going to have a lot of problem understanding why a person who came here, paid nothing into Social Security and goes on Medicare, should be paid for by them. So as we get into that issue, we will want to clarify that, I think, yes.

Now, I want to welcome Senator Kennedy. He will speak in a moment, but I am going to go to Senator Feinstein, but I welcome Ted. One or the other of us has chaired this subcommittee since the beginning, and I do hope that he will continue as the ranking member after my absence. [Laughter.]

Senator KENNEDY. He never stops, he never stops. [Laughter.]

Senator SIMPSON. No. You get the full rebuttal.

Senator Feinstein.

Senator FEINSTEIN. Thank you very much, Mr. Chairman. I would like to put my full statement in the record, if I may.

Senator SIMPSON. Without objection.

Senator FEINSTEIN. Suffice it to say that, as Mr. Doti pointed out, this is no small issue for California because today California is home to exactly 38.2 percent of the country's immigrants. Interestingly enough, 52.4 percent of the foreign-born who receive SSI and AFDC reside in California; 52 percent of the foreign-born on SSI and AFDC today live in California. So the whole deeming issue and its impact on California is enormous.

In the first 5 years of the 1990's, about 1 million legal immigrants went to California, and half of them to Orange County and Los Angeles. So I am very pleased that Mr. Doti is here from Or-

ange County because the problem is significant and solutions are elusive.

Let me begin, Mr. Doti, by asking this. You argue in your statement that the affidavit of support from an immigrant's sponsor should be a legally binding contract. Do you have any recommendations, though, on how to enforce the policy? Should we seek reimbursement from the sponsor for any public costs incurred? Should we impose civil or criminal penalties? How would you see this being enforced?

Mr. DOTI. Yes, we do. In fact, we have studied them. The current process is that an affidavit of support is filed with the Department of State by the individuals. Usually, it is the children who have come here, become relatively affluent, and sponsor them in. It is a statement generally written in the upper left-hand corner of the document when we retrieve them from INS. It is not something that we typically deal with in terms of hard documentation.

That is why in our prepared text we said, No. 1, we need the Social Security number of the sponsors. Usually, it is a husband and wife, although we do have some for siblings. Second, it needs to be dealt with just like IRS or anything else. It needs to be data that when a person says they will sponsor in and never have these individuals become a public charge—with that kind of a commitment, we need that on a computerized data base which already exists.

You have the integrated earnings verification system that we are mandated to use for welfare. You also have the SAVE system, the same organization, but that Social Security number and the data for which they claim they have assets be entered in. Then we can do it on-line, just like we do currently with the welfare programs that we administer.

The other issue that we cannot have them renege on their assets, as we frequently see, and I mean this is a daily occurrence. This is not an isolated issue in which they say, well, that wealth is gone. Well, how could you have the stated assets last year? We need to be able to do the investigation. We have the horsepower to do it. You know, we are mandated to have 4(a) and 4(d) and other law enforcement-type agencies, so investigative work is not unusual for us, but it becomes very elusive the way it is arranged. So it needs to be a more formalized process, and I think, with that, you would have the enforcement and whatever penalties Congress wishes to have go along because currently right now it is a sham. I mean, it is known nationwide that everyone walks away from this. It is like people don't pay student loans and we are left holding the bag.

Senator FEINSTEIN. Well, I would very much appreciate receiving any recommendations from you as to this particular piece of legislation that shortly we will be voting on in writing, if you wouldn't mind.

Mr. DOTI. I would be more than happy to, to you or to the chairman or——

Senator SIMPSON. Feel free.

Mr. DOTI. OK. It would be our pleasure.

Senator FEINSTEIN. Let me ask your view of another issue in the legislation that will be before us. The legislation before us with respect to the receipt of any benefit by someone in the country legally provides that they must work for 40 qualifying quarters, or 10

years or more, prior to being eligible, and that they would have to have earned income and paid taxes during that period of time. This takes it a little beyond citizenship for most. I would be very interested in your reaction to that proposal.

Mr. DOTI. Well, that would almost be a de facto bar in itself in that most parties who come on public assistance virtually have no earnings record and generally do not acquire one, as we are seeing in the initial applications that we are spotting for SSI. By virtue of age, most parties—I would say 90-some percent—are 60 years of age or older, and we know that employment is not a viable issue with the group.

Senator FEINSTEIN. Are you speaking of SSI now?

Mr. DOTI. For SSI, but we do have them apply for AFDC, also. You know, the deeming goes for the other programs as well.

Senator FEINSTEIN. All right, so would you be supportive of that?

Mr. DOTI. Well, it has not been an adopted board policy. That is an issue that we would have to look at. We have two board policies. No. 1 is the counties don't want to become the recipient of a de facto immigration policy, because it appears that is where we are heading, and, second, our issue of sponsors. If we wish to tie the 40 quarters, which is the same as the minimum received for Social Security, I am not sure that that would be a county call.

Our issue is that if a family or an individual or an organization sponsors an individual to come in, that party should be the responsible party for whatever duration that you wish to create, if it is 10-year citizenship, or what have you. I don't know that employment is going to be the issue because so many people we see sponsoring in, employment is not a viable issue.

Senator FEINSTEIN. When you say employment is not a viable issue, you mean——

Mr. DOTI. Because of their age and their other infirmities.

Senator FEINSTEIN. I see.

Mr. DOTI. To say that you want them to then have 10 years' worth of employment before they could be eligible, for so many people who are sponsored in that will never occur. You are, in effect, creating a permanent bar for them.

Senator FEINSTEIN. So in other words, really, the sponsorship has to mean something and has to be able to be collected and has to be very precisely defined?

Mr. DOTI. That is correct.

Senator FEINSTEIN. Another proposal in the legislation is that if you are sponsoring a parent, that parent must have the availability of health insurance prior to being admitted to the country. I am one that believes this would make it virtually impossible to get. Until the individual is here, I don't know how they can get health insurance.

Mr. DOTI. I think Ms. Limon may have a much larger perspective than us. From what we see coming in in Southern California, you are talking about aged individuals being brought in, and requiring them to have a 10-year employment history will mean that they will never—and they will probably, in some way, shape or form, have to access other forms of community-based organization support or local assistance. It is another cost-shift potential.

Senator FEINSTEIN. Ms. Limon, do you want to comment? Then I would like Ms. Martin to comment.

Ms. LIMON. Well, as I said, the administration believes that we should be deeming sponsorship income to citizenship. If we go beyond citizenship, which 40 qualifying quarters would in many cases, since most immigrants are allowed to become citizens after 5 years of residency in the United States, then we would be, in effect, creating two different classes of citizens.

Senator FEINSTEIN. Well, as you know, I made that amendment on the welfare bill on the floor and lost rather substantially, so I don't know how realistic it is at this stage.

Ms. LIMON. Well, I think the administration believes that it is very important not to have, as you did, two classes of citizens. I think when we talked, as Mr. Doti said, that the deeming works—that it does work to be able to bring in a sponsorship affidavit, a legally binding affidavit, to look at their income. Under the administration proposals, the sponsor, as well as the Federal, State and local government, would be able to enforce that legally binding agreement in civil court, and we would be able to enforce that past—if there were any overpayments, be able to enforce that past the sponsored immigrant becoming a citizen, so that there wouldn't be sort of a point at which we couldn't collect those dollars. As long as those dollars were given incorrectly, we would be able to collect those.

On the medical side, I would like Jack to comment about that.

Senator SIMPSON. Well, if I could, I would rather have a member of the panel testify and we will get to the technical part later. So if you would respond, Susan, to Senator Feinstein?

Ms. MARTIN. The commission makes a distinction between eligibility and the sponsor's responsibility. We would like to see all immigrants eligible for these programs on the same basis as naturalized citizens and native-born citizens. If the sponsor dies and a parent is left absolutely destitute, we would like to see that parent have access to the programs as an exception to the rule, but as a possibility for the safety net.

In terms of the sponsor responsibility, though, that we see as a contractual voluntary agreement on the part of the sponsor that is more similar to an alimony order or a child support agreement where citizenship is irrelevant to those. If somebody says that they are going to pay alimony, that contractual obligation remains regardless of citizenship. We think the sponsor's responsibility in the affidavit should have that type of force so that it has force for the period of time that the sponsor voluntarily commits to, and that the citizenship of the immigrant is irrelevant to that process.

We would also like to see a change in the way in which the deeming provisions operate so that it is not just an automatic taking of the sponsor's income into account, but that it works again the same way it does with children and with spouse-to-spouse type of deeming where you check to see if the resources are actually available to the immigrant. If they are not available to the immigrant, then you go after the sponsor to provide it, but allow access to the safety net in the interim. So we don't see it as a second-class citizenship at all as long as you make that distinction between eli-

gibility and the contractual responsibility voluntarily engaged in on the part of the sponsor.

Senator FEINSTEIN. I don't understand, but perhaps we can clarify that later.

Senator SIMPSON. Well, I did. I think it is a very important point and you and I will visit on that. You have been a wonderful contributing member of this subcommittee and the full committee, but I must go on.

Again, Senator Kennedy has been either the chairman or ranking member since I came here. Whatever capacity he is in after I leave, he will do it with vigor and fairness, as always, still with some strong biases, but it is a great pleasure to work with him, a wonderful companion, a wonderful legislator and friend.

Senator KENNEDY. I think I thank you for those comments. [Laughter.]

But, seriously, as one who has been a member of this Congress dealing with a lot of different pieces of legislation, I will say at the time we bring this up on the floor of the U.S. Senate it will have had a more thorough airing and consideration and differing viewpoints that have been presented to the committee and which the members of the full Senate will be able to take advantage of than any other piece of legislation, at least in the various committees that we have been on, with the exception of our health insurance measure that is still in play on the floor of the Senate. So I want to genuinely thank our Chair for the thoroughness with which he has approached this issue.

Let me just make a quick point to Mr. Doti on the student loan programs. They have been cut in half in terms of the default rate. I don't want to leave the thought out there that the young people of this country are failing in terms of their meeting some responsibilities. The default rate in 1990 was 22 percent. It has been cut in half, which is kind of instructive even when we are thinking about this legislation to show what can be done if we enforce measures rather than taking dramatic steps and eliminating the protections and the safety net for many citizens in this country. So I think it is important that we face that.

I would like to ask that my full statement be made a part of the record, Mr. Chairman.

Senator SIMPSON. Without objection.

[The prepared statement of Senator Kennedy follows:]

PREPARED STATEMENT OF SENATOR EDWARD M. KENNEDY

Immigrants have been a central feature of the American landscape since our beginning as a nation. Immigrants have contributed to our communities, created American jobs, served in our armed forces, and helped make America the great land of promise that it is today.

As President Ronald Reagan proclaimed in his final speech before leaving the White House, "We lead the world because, unique among nations, we draw our people—our strength—from every country and corner of the world."

Legal immigrants—those who come in under our laws—are as valuable to the nation today as they were in earlier times. Nearly all legal immigrants work and pay taxes. They bring a deep respect for the family and for our democracy.

Yet, many in Congress would ignore our immigrant heritage. They would roll up the welcome mat for those entering under our laws to join their families and contribute to America's future.

If the Republican majority in Congress had its way, hardworking, taxpaying immigrant families would have no safety net for hard times. They would ban working

immigrant families outright from key safety net programs that are available to all other taxpayers in America who need help for themselves and their children during periods of misfortune. And those who are here now—even immigrants who have been here and paid taxes for many years, but who have become disabled—would be summarily removed from assistance programs.

President Clinton was right to veto the Republican welfare reform bill that contained these harsh proposals. And he would be right to veto them again, if the Republican Congress insists on hurting law-abiding working immigrant families.

These are the facts:

• On average, legal immigrants pay $2500 more in taxes each year than it costs the government to educate their children or provide other services.

• There is no rampant abuse. Working age, legal immigrants require a helping hand from public assistance programs at the same rate as American citizens—roughly 5%.

• Immigrant participation in the SSI program is higher than that for citizens in which about 10% of program participants are legal immigrants. This higher participation is due to use by refugees and elderly immigrants, however, and not by working age immigrants.

• Since a high in 1993, the number of legal immigrants using the SSI program is falling. This downward trend is expected to continue as the number of immigrants coming here continues to decline.

Changes are needed and responsible reform is possible. We should hold sponsors more accountable for the care of the immigrants they bring into the United States. And we should lengthen the period over which sponsors are responsible.

But, instead of banning immigrants from programs, we should follow the advice of the Jordan Commission. The Commission recommended that "the safety net provided by needs-tested programs should continue to be available to those whom we have affirmatively accepted as legal immigrants into our communities."

Our experience with "deeming" sponsors' incomes before permitting immigrants to receive public assistance has been extremely successful in limiting access to welfare programs only to those who truly need it. We can strengthen this process and extend the period over which sponsors' incomes are deemed. But it would be wrong to ban legal immigrants from these programs entirely as the Republican welfare reform bill proposes.

In no case, however, should immigrants remain the wards of their sponsors once the immigrants become American citizens. This is second class citizenship and is contrary to fundamental constitutional principles of equal treatment of all American citizens.

Finally, we should consider the possibility of establishing a reasonable insurance requirement in instances in which American citizens wish to bring their elderly parents to America. The percentage of uninsured noncitizens is almost three times higher than the percentage of uninsured Americans—16% as compared to 6% for Americans as a whole. This problem cannot be ignored.

However, the insurance requirements in the Chairman's bill would prevent most Americans from having their parents join them. And they would prevent the immigration of families with disabled children.

Under this proposal, only the wealthiest Americans could bring their parents here. The cost of insurance required in the bill would exceed $9,000 annually per parent. In fact, such insurance is unavailable in many states.

We should, instead, explore other possibilities that are more affordable to most Americans. We should examine the possibility of insurance, in which spread the insurance risk among this special immigrant population. We should permit the parents to buy into Medicare. And we should consider an entry fee payable by sponsors of parents based on their ability to pay which will help defray the costs of medical care. Last year, Canada began charging a fee of almost $1,000 to defray government costs of immigrant assistance programs.

But in no case should we require insurance that is too costly for working Americans who wish for their parents to join them in their golden years and be near their grandchildren. This should be a joy available to all Americans, not just the wealthiest Americans.

Senator KENNEDY. I am mindful as we were listening to—and I look forward to reading through all the testimony. At least from our part of the country, in Massachusetts, New England, and many other parts of the country, it is important as we are defining the issues to really sort of start off with some basic understanding, and that is where we are, whether the people that have come to this

country basically under the immigration laws for the reunification of families and, second, with special skills to expand employment—that is the criteria. All Americans ought to understand it. Sometimes, they don't, but that is the basis of legal immigration—family reunification for family members, and also those with special skills that are going to expand our economy.

We have problems in illegal immigration, which I think has received great focus and attention by the chairman, and also by President Clinton with his additional efforts. Senator Feinstein has been enormously active, as others have on this committee, in dealing with that. There is more that has to be done, and I hope that we will in this Congress.

But as we have seen at other times from the Urban Institute with regard to what has been paid in by legal immigrants and the rates of employment figures to demonstrate that really they have comparable rates of employment—I am not going to take the time of the committee, or even to put in the other kinds of studies of Julian Simon, who supports that in terms of what is actually contributed by legal immigrants.

Do you want to browse through this?

Senator SIMPSON. Julian Simon? This is the open-border man.

Senator KENNEDY. Well, with all respect——

Senator SIMPSON. Julian would believe bring anybody in.

Senator KENNEDY. With all respect——

Senator SIMPSON. Excuse me.

Senator KENNEDY. I will give you this here, too. You can read this one here, too.

Senator SIMPSON. What is that one? [Laughter.]

Senator KENNEDY. Let me make a point, with all respect. I am always interested in listening to those who are prepared to draft permanent resident aliens, send them overseas to get shot and die for this country, and that has happened in this country, and then talk about stripping away food stamps for their children or, if they have some disability, another member of the family, cut them out, too. How quick we are to draw them up and put them in the service of the United States and send them overseas to fight, and here we talk about what we are prepared to do here—really, the challenge of these children and the burden that they put in terms of our society.

So I think we can all play this card and be funny about it and laugh about it and joke about it, but we are talking about real people and real people's lives, and we are talking about children, we are talking about parents, we are talking about loved ones, we are talking about families. That is why all of us can't have a meeting like this without thinking of the Chair, Barbara Jordan. I know others have commented on it, but I certainly join in that, as one who has followed the immigration issues for a number of years, to take a moment and pay this extraordinary tribute to an extraordinary woman who brought the rationality, the human compassion, and the sense of decency and fairness that just were the qualities that distinguished her life in so many ways, and the hard work and the extraordinary ability of bringing people together to support some sensible and responsible and common-sense approaches to this whole issue. So all of us are mindful of her.

Susan, we are so glad that you are here today. We know that her memory is very recent in all of our minds, but we know particularly with regard to your own.

Now, I just want to cover really two areas at this time. One is with regard to the effectiveness of the deeming and banning provisions, and then a second with regard to health insurance. We all know that it is a difficult population to get health insurance for. I mean, we have a difficult population now in getting health insurance for those people who have preexisting conditions because of the greed of those that are exploiting those people in the insurance industry, and we are seeing their power exhibited over on the floor of the U.S. Senate now. So we know that we have got a lot of problems in dealing with those and we know that there are those who would like to ban those.

But I would like to ask Ms. Colvin or Ms. Limon just what evidence you do have that deeming does work. I have some of the materials there that have been provided, I believe, by Social Security agencies about that, and if you could comment briefly about your own evaluation and if you can submit documentation for the conclusions that you do draw about whether deeming does work or does not work?

Ms. COLVIN. Perhaps I will go first, Senator Kennedy. I am Carolyn Colvin. We have found that deeming is very effective in keeping noncitizens off the SSI rolls. We find that less than 1 percent of those individuals come on the rolls during their deeming period. However, we find that once that deeming period has expired, the numbers do increase, and that is why we are supportive of increasing deeming through to citizenship.

Senator KENNEDY. Ms. Limon.

Ms. LIMON. We also in the AFDC program believe that deeming works. As I said in my testimony, we have a very small percentage of immigrants actually on AFDC, and we can see through the SAVE system—as you know, when a noncitizen applies for AFDC, they are required to provide immigration documents which are then referred back to the INS through the SAVE system. The INS then, through secondary verification, can also talk about the sponsorship and send copies of the sponsorship agreement to the administrative agencies. So we see that that deeming procedure continues to work throughout the application period.

Senator KENNEDY. The time is moving along and I am just going to ask a question, also, in another area. As I understand, the CBO also shows the cost savings from increased deeming are only slightly less than the savings under a welfare ban. If you would provide information on that conclusion?

Ms. LIMON. We will submit that.

Senator KENNEDY. Also, some of the SSA projections regarding the reduction of SSI caseload for immigrants under the administration's enhanced deeming plan shows a reduction of 50 to 90 percent in the various immigration categories. So I will ask the same witnesses, or others, if they care to comment on that to provide additional information.

On the health insurance, I have asked my Chair if I could just have 1 minute on this and then I will write to the members, because I know we have got the other panel and the swearing-in of

a new member. But let me ask you—one of the suggestions that has been made is that the individual buy health insurance for the elderly person. The best estimate is probably about $9,000 a year, if you are able to get it, and it is going to be difficult to get and, of course, that is going to favor only those who are wealthy coming in and bringing their parents in.

One of the other things that we have been looking at is creating risk pools, for example. We have about 85, 90 percent of our fishing families in Massachusetts—20,000 of them don't have it; they have lost it in recent times because of Federal regulations in terms of preserving the fish stocks, and one of the first things that goes is their health insurance. Now, we are looking at a risk pool, bringing all the families in together and working out a process. Actually, it is going to be done with the archdiocese in Boston. We are going to try and do it in Massachusetts and expand it to New England.

I would be interested if we could see if we could help and assist to create risk pools in 7 or 8 key States where immigrants tend to go. This is something that I think we ought to take a look at; also, allowing the parents to buy into Medicare. The cost is still about $5,000, but that, as compared to $9,000, might make some difference.

Canada recently has engaged in an entry fee for all of the immigrants that come—they have national health insurance—a little less than $1,000, over $900, that goes into a fund for services. I wonder whether you could look at that in a progressive way, for example, so that you could have people that are coming—now, that is going to impact where we are on training, so maybe we have to look at that as well, if you know what I mean. I think Susan Martin probably knows the extent, and so we would have to try and sort of look if there is some exchange.

I will write to the panel and ask them to look at the four or five different alternatives to get your expertise on whether any of these make any sense as a possible alternative.

My time has expired, Mr. Chairman.

Senator SIMPSON. Thank you, Senator Kennedy. I just want to be so clear that immigrants and permanent residents were admitted originally only to the United States on the basis that it was assured that they would not become a public charge. Everyone should know that. Also, it was required that they be deported if they do. There is nothing ugly or evil as to what we are up to, except in our proposal it will make deportation more likely if they use welfare, we say, more than 12 months in 5 years, and requires deeming for 40 quarters. That is about what you qualify when you get Social Security, and they are going to be drawing on those systems.

So if their family has money, they won't qualify for benefits. I really don't have a lot of problem with that. That is where we are. This is not about the wretched, the ragged, the homeless. This is about people who have more are going to pay more. I would think that would be a very attractive proposal. We do not ban these people, permanent resident aliens, from any benefit. We allow a 12-month safety net if their sponsor can't make the test. That is another thing I just want the record to disclose.

Now, we will go to the final panel, panel two: George Borjas, of the John F. Kennedy School of Government at Harvard University.

I will be joining there next semester, in the spring. I will bring my colleague up for a joint class. Senator Kennedy and I will conduct a class. It is a great honor for me to accept that, and a great thrill to be part of the John F. Kennedy School of Government in the semester of January through June.

We have Victor DoCouto, Executive Director of the Massachusetts Alliance of Portuguese Speakers; Michael Fix, Director of the Immigrant Policy Program of the Urban Institute; Norman Matloff, Department of Computer Science, University of California at Davis; and Robert Rector, Senior Policy Analyst of the Heritage Foundation. Thank you all.

I understand Mr. Borjas has a plane very soon and, as I say, it will be very delightful to join you there in the spring semester of 1997. If you will please proceed, and if the audience would please settle down a bit and we will go forward so you can catch that plane. Thank you.

PANEL CONSISTING OF GEORGE J. BORJAS, PROFESSOR OF PUBLIC POLICY, JOHN F. KENNEDY SCHOOL OF GOVERNMENT, HARVARD UNIVERSITY; VICTOR DoCOUTO, EXECUTIVE DIRECTOR, MASSACHUSETTS ALLIANCE OF PORTUGUESE SPEAKERS; MICHAEL FIX, DIRECTOR, IMMIGRANT POLICY PROGRAM, THE URBAN INSTITUTE; NORMAN MATLOFF, PROFESSOR OF COMPUTER SCIENCE, UNIVERSITY OF CALIFORNIA AT DAVIS; AND ROBERT RECTOR, SENIOR POLICY ANALYST, THE HERITAGE FOUNDATION

STATEMENT OF GEORGE J. BORJAS

Mr. BORJAS. Thank you, Mr. Chair, and thank you, members of the subcommittee. I am George Borjas. I am a Professor of Public Policy at the Kennedy School, Harvard University, and I would like to thank you all for giving me the opportunity to talk about the results of my ongoing research on the economic impact of immigration on the U.S.

What I want to talk about today is newly available evidence obtained from Census data regarding usage by immigrants of particular programs that make up the welfare state. Now, most academic research on the extent to which immigrants use welfare is based on Census data; in other words, 1970, 1980 and 1990 Census data, and what those data show is a clear trend that, over time, the rate at which immigrants are using public assistance, as defined by Census data, is going up. Just to give an example, in 1970, the typical immigrant household had a lower probability of receiving cash assistance than the typical native household. By 1990, the opposite is true.

Now, one important thing to stress is that Census data only contains data on cash assistance. So, therefore, most academic studies that use Census data really have no information whatsoever on immigrant use of things like food stamps, Medicaid, housing assistance, energy assistance, and the many, many, many other programs that make up what we call welfare in general.

What I want to talk about today is new data also available from the Bureau of the Census which is called the Survey of Income and Program Participation, or SIPP, for short. The SIPP data has the

advantage that it contains detailed information not just on the receipt of cash assistance, but also on the receipt of practically every other program that makes up the welfare basket.

Not only that; the SIPP data also allows you to track households over time, so we can actually move beyond the concept of receiving welfare to the concept of whether people are on welfare on a permanent basis. In other words, we can actually time the length of time over which households, both native households and immigrant households, receive some type of aid.

What that data shows is that the Census data or the public assistance information on cash benefits made available by the decennial census is somewhat misleading, and it is misleading in the sense that once you add in all the other programs, such as food stamps, Medicaid, and so on, the gap between immigrants and natives actually rises significantly.

In the SIPP data in the early 1990's, it turns out that the typical immigrant household had about a 20-percent probability of receiving some type of assistance—actually, 21 percent probability—I am sorry—of receiving some type of assistance, as opposed to a 14-percent probability for native households. That "welfare gap" is much wider than what would be indicated by looking at cash benefits in the usual Census data.

Not only that, the SIPP data also allows you to calculate what fraction of benefits or what value of benefits as a proportion of all benefits are being received by immigrant households. Now, in the early 1990's, immigrant households in this country made up about 8 percent of all households. That 8 percent of the households received 14 percent of all benefits, so it is a clear overrepresentation.

Now, once you look at California, the situation actually worsens significantly. In California, according to the SIPP data, immigrants made up 21 percent of all households, and that 21 percent of the households received almost 40 percent of all benefits. It is not too far-fetched to imagine a world in which, in the near future, the welfare problem in California really will be predominantly an immigrant problem.

Now, another thing that the SIPP allows you to do is to break the data out by national origin, by taking out refugees, for example, and so on, to sort of look at the extent to which this welfare gap is due to the existence of refugee households. Now, one thing I will talk about here is that people have often claimed that much of the welfare gap between immigrants and natives tends to disappear once you take out refugees from the data and once you take out the elderly.

Now, the SIPP doesn't really have the kind of visa people arriving, so what is usually done in these kinds of data is to take out people from the immigrant sample who happen to originate from refugee-sending countries; not a perfect type of exercise, but an informative one nevertheless. If you do that and you concentrate only on immigrant households that did not originate in refugee-sending countries and that do not have any elderly people in the household, the gap between immigrants and natives goes down, but it is still quite large; 17 percent of immigrants receive some kind of assistance versus 13 percent of native households.

Now, one last thing I want to conclude is that the data also allows you to track households over time, so we can actually look at more than just a point-in-time recipiency. We can sort of extend the concept to a more kind of permanent dependency. What the data tend to show there is that immigrant households not only are more likely to be receiving some kind of assistance over about a 3-year period, but they are also much more likely to receive assistance for a much longer period of time. In other words, they are more likely to be long-term recipients, so it is a dependency problem in that population.

With that, my time is up and I will conclude.

Senator SIMPSON. Thank you very much.

[The prepared statement of Mr. Borjas follows:]

PREPARED STATEMENT OF GEORGE J. BORJAS*

IMMIGRATION AND WELFARE: SOME NEW EVIDENCE

Currently available evidence suggests that an increasing number of immigrants are beneficiaries of welfare programs. For the most part, this inference is drawn from the analysis of decennial Census data. Since 1970, the Census reports whether households receive cash benefits, such as Aid to Families with Dependent Children (AFDC) or Supplemental Security Income (SSI). In 1970, immigrant households were slightly less likely than native households to receive cash benefits. By 1990, however, the typical immigrant household had a higher probability of receiving cash benefits. In particular, 9.1 percent of the immigrant households enumerated in the 1990 Census received public assistance, as compared to only 7.4 percent of native households.

The Census, however, does not provide any information on noncash transfers, such as Food Stamps, Medicaid, housing subsidies, and the myriad of other programs which make up the modern welfare state. As a result, we do not truly know the extent to which immigrants participate in welfare programs, where welfare is taken to mean the whole range of means-tested programs available to low-income households and not just the cash benefit programs. This lack of information can have important financial consequences. After all, the total costs of all means-tested entitlement programs in 1991 exceeded $180 billion, but cash programs accounted for less than a quarter of the cost of these programs.

Recently available data collected by the Bureau of the Census helps provide a more complete picture of immigrant participation in the wide array of means-tested programs that make up the modern welfare state. The Survey of Income and Program Participation (SIPP) contains extensive information on participation in practically all means-tested programs for a large number of households. These data suggest that the current conventional wisdom, based mainly on the receipt of cash benefits, gives a misleading picture of the extent to which immigrants receive benefits. The "welfare gap" between immigrants and natives is, in fact, much larger when other programs are included in the analysis.

THE DATA

Each year, as part of the Survey of Income and Program Participation, the Bureau of the Census surveys about 20,000 randomly selected households, and the economic experiences of each of these households are recorded over a 32-month period. We can use the data provided by these surveys to calculate the probability that a household, whether immigrant or native, receives a particular type of public assistance during a given month. Table 1 reports the evidence for the period covering roughly the years 1990–1993.

The data are direct and striking: immigrants are more likely to participate in practically every one of the major means-tested programs. In the early 1990s, the typical immigrant household had a 4.4 percent probability of receiving benefits from the AFDC program, as compared to only 2.9 percent for native households. Simi-

*Mr. Borjas is a Professor of Public Policy at the John F. Kennedy School of Government, Harvard University. Much of the analysis summarized here is based on an article written jointly by Mr. Borjas and Lynette Hilton entitled "Immigration and the Welfare State: Immigrant Participation in Means-Tested Entitlement Programs," to be published by the "Quarterly Journal of Economics" in its May 1996 issue.

larly, over 9 percent of immigrant households received food stamps, as opposed to only 6.5 percent of native households. Finally, 15.4 percent of immigrant households were covered by Medicaid, as compared to only 9.4 percent of native households.

The evidence also suggests that the conventional wisdom, so heavily influenced by the evidence from cash benefit programs, understates the extent to which immigrant households truly benefit from public assistance. To obtain a more inclusive measure of welfare participation, we can calculate the monthly probability that a household received either cash benefits, Medicaid, Food Stamps, WIC, energy assistance, or housing subsidies. Using this definition of welfare, we find that 20.7 percent of immigrant households received some type of assistance in the early 1990s, as compared to only 14.1 percent of native households, a welfare gap of 6.6 percentage points.

In addition to indicating if a household participates in a particular program, the SIPP data report the dollar value of the benefits received in many of the programs. These data allow us to calculate the fraction of benefits that are disbursed to immigrant households. Not surprisingly, immigrant households account for a disproportionately large fraction of the costs of these programs. In the early 1990s, 8.0 percent of the households were foreign-born. These immigrant households accounted for 13.8 percent of the costs of the programs, almost 60 percent more than their representation in the population.

The disproportionate disbursement of benefits to immigrant households is particularly acute in California, a state which has both a lot of immigrants and very generous welfare programs. Immigrants make up only 21.0 percent of the households in California, but these households receive 39.5 percent of all benefits distributed in the state. It is not too much of an exaggeration to say that the welfare problem in California is on the verge of becoming an immigrant problem.

Some observers of immigrant welfare use dismiss the immigrant-native welfare gap as being attributable solely to refugees and/or to elderly immigrants. We can check the validity of this argument by "taking out" from the calculations the immigrant households that either originate in refugee-sending countries or contain at least one elderly person (over age 65). It turns out that 17.3 percent of immigrant households in this restricted population receive some type of assistance, as compared to 13.0 percent of native households that do not contain any elderly persons. This welfare gap of 4.3 percentage points is still sizable, so that the argument that the welfare problem in the immigrant population arises because of refugees and the elderly is factually incorrect.

Because the SIPP data track a particular household over a 32-month period, we can determine if immigrant participation in welfare programs is temporary or long-term. Although this distinction has not been stressed in the public debate, it is a crucial distinction. After all, the policy implications of having a long-term dependent immigrant population are quite different from those of having immigrants who require short-term aid, perhaps during a transition period in their first few years in the United States.

During the early 1990s, only 68.7 percent of immigrant households did not participate in these programs at any point in the 32-month tracking period, as compared to 77.3 percent of native households. Moreover, 10.3 percent of immigrant households received welfare benefits throughout the entire 32-month period, as compared to only 7.3 percent of native households. Put differently, immigrants are not only more likely to have some exposure to the welfare system, they are also more likely to become "permanent" recipients. These trends are disturbing because they suggest that unless eligibility requirements are made much more stringent much of the welfare use that we now see in the immigrant population may remain with us for the next two or three decades. The trend also raises questions about the impact of this long-term dependency on the immigrant household's social and economic prospects, as well as on the prospects for the U.S.-born children of these households.

ETHNIC NETWORKS

There is a huge amount of dispersion in welfare participation among national origin groups in the immigrant population. About 4.3 percent of the households originating in Germany, 26.8 percent of those from Mexico, and 40.6 percent of those from the former Soviet Union are covered by Medicaid. Similarly, about 17.2 percent of the households originating in Italy, 36.0 percent of those from Mexico, and over 50 percent of those from the Dominican Republic received some type of benefit.

These national origin differentials suggest a very interesting fact: some national origin groups tend to "major" in receiving particular types of benefits, and tend to avoid other programs For example, even though Mexican immigrants are 50 percent more likely to receive energy assistance than Cuban immigrants, Cuban immigrants

are more likely to receive housing subsidies than Mexican immigrants. Obviously, some of this variation can be attributed to differences in demographic characteristics between Cuban and Mexican households (such as household size, gender and age composition, and state of residence). Nevertheless, the link between national origin and participation in specific welfare programs raises an interesting question: Are there networks operating within ethnic communities which transmit information about particular programs to newly arrived immigrants?

Anecdotal evidence suggests that ethnic communities transmit some information regarding welfare programs to potential immigrants or to newly arrived immigrants. Writing in the New Democrat, Norman Matloff reports that "a popular Chinese language book on life in America sold in Taiwan, Hong Kong and Chinese bookstores in the United States includes a 36-page guide to SSI and other welfare benefits" and that the "World Journal, the largest Chinese-language newspaper in the United States, runs a 'Dear Abby'-style column on immigration matters, with welfare dominating the discussion."

The SIPP data, in fact, reveal a very strong positive correlation between the probability that new arrivals belonging to a particular national origin group receive welfare and the probability that earlier arrivals from that group receive the same type of assistance. In other words, if Irish immigrants who resided in the United States prior to 1985 tended to receive such programs as SSI and energy assistance, Irish immigrants who arrived after 1985 will also tend to receive SSI and energy assistance. Put differently, the more an ethnic group has been "exposed" to a particular program in the past the more likely that new immigrants who belong to that group will also participate in that program.

Moreover, this correlation remains strong even after we control for the household's demographic background (which determines the household's eligibility for the program) and for the state of residence where the household resides. The magnitude of this correlation is numerically important: A 10 percentage point increase in the fraction of the existing immigrant stock who receive a particular program implies about a 10 percentage point increase in the probability that a newly arrived immigrant also receives benefits from that program.

CONCLUSION

The evidence revealed by the Survey of Income and Program Participation leaves us with three new facts that greatly alter our perception of immigrant welfare use:

1. Immigrant households are much more likely to receive some type of welfare benefit (either cash or noncash) than native households.
2. Immigrant households are more likely to be permanent recipients of welfare assistance.
3. There seem to exist information networks operating within ethnic communities which transmit information about the availability of particular types of welfare benefits to newly arrived immigrants.

TABLE 1—MONTHLY PROBABILITY OF RECEIVING BENEFITS IN EARLY 1990s

Type of benefit	Immigrant households	Native households
Cash programs:		
Aid to Families with Dependent Children (AFDC)	4.4	2.9
Supplemental Security Income (SSI)	6.5	3.7
General assistance	0.8	0.6
Noncash programs:		
Medicaid	15.4	9.4
Food stamps	9.2	6.5
Supplemental Food Program for Women, Infants and Children (WIC)	3.0	2.0
Energy assistance	2.1	2.3
Housing assistance (public housing or low-rent subsidies)	5.6	4.4
School breakfasts and lunches (free or reduced price)	12.5	6.2
Summary:		
Receive cash benefits, Medicaid, Food Stamps, WIC, energy assistance, or housing assistance	20.7	14.1

Source: George J. Borjas and Lynette Hilton, "Immigration and the Welfare State: Immigrant Participation in Means-Tested Entitlement Programs," Quarterly Journal of Economics, forthcoming, May 1996.

Senator SIMPSON. Now, please, Victor DoCouto.
Senator KENNEDY. Mr. Chairman, just 30 seconds.
Senator SIMPSON. Yes.

Senator KENNEDY. I am delighted to have Mr. DoCouto here. Right behind him is his son and he goes to a school, Molin Catholic, up there, and you have to be a very talented, hard-working student to get into that school and it is known to have some excellent athletes. He is missing a day today up there, but we are very, very glad to have him here, and particularly to have his father.

Thank you.

Senator SIMPSON. Welcome to these proceedings.

STATEMENT OF VICTOR DoCOUTO

Mr. DoCOUTO. Thank you, Mr. Chairman and members of the committee. I am truly honored to be here testifying before this committee on SSI and welfare for immigrants. As an immigrant myself, if someone had told me many years ago that I would one day be sitting here discussing this issue and some of the proposed legislation, I never would have believed it.

I was born in the Azores, which is a group of islands off the coast of Portugal, and my dad was a cabinet maker back there. We were not rich. In fact, though my dad had a profession, we were poor by standards. My dad was fortunate enough to have someone here, an uncle, and he sponsored him over and my dad came to the United States ahead of his family by 2 years and worked hard, hauled fish in New Bedford, even though he was a cabinet maker, for about a year, at a little under a dollar an hour. After about 2 years, he sponsored myself, my two sisters, my brother, and my mother into the United States.

I went to public schools. I was put in kindergarten when I arrived and, interestingly enough, for the first 6 months of my tenure in school, I didn't know what was going on. I didn't speak any English—none of us did—and just kind of wandered around at school and went home and said, mom and dad, what is going on? But I hung in there long enough to obviously master the language somewhat. I graduated from public school in Somerville and then I went into the United States Air Force upon graduation. I served the country for 4 years.

Interestingly enough, I was not a citizen at the time, and it is interesting that Senator Kennedy raised that issue. At the time I joined the United States Air Force in 1966, I was not a citizen and didn't get sworn in as a naturalized American until 1967, in Los Angeles, CA. In 1969 to 1970, I spent a year in Vietnam serving our country.

Upon return, using the GI Bill, I went to college and I got my degree and then went into community work, something I have been doing for the Portuguese community in Massachusetts ever since. In 1984, I went to the Heller School at Brandeis University to get my master's degree, and upon leaving there went and worked at the welfare department for the State of Massachusetts as an operations manager. In that capacity, I got to see an awful lot in the local welfare offices about folks on welfare and how they felt about being on it. I think that is probably enough about myself.

One thing I do want to leave you people with and one of the reasons I think I have been asked to come is that immigrants do not come to this country for welfare. My family did not come to this country to go on public assistance. It never was on public assist-

ance the entire time it was here. The bulk, the majority of all immigrants who come here, the people that I deal with day in and day out not only from the Portuguese community but from other communities, do not come to this country because they know there is public assistance here to help them out.

They come here to reunite with their families. They come here because where they lived, the opportunities were not that great. They have come here for a better life for themselves and their families. They never think twice about whether or not there will be public assistance at the end. What they do know is that hard work is here and they are willing to do that.

We have a lot of success stories in our community. We have a lot of immigrants who have set up businesses and hire people and pay taxes, and they pay a lot of taxes. But we also have individuals in our community who are on SSI, individuals who came here late in life and through no fault of their own had low-paying jobs. They might have worked, as one of my clients did, in excess of 12 years, her and her husband. She is now retired. He has passed away. Her Social Security check which she got was so small she is forced to be on SSI, and without that, could not really survive. Where she goes go many others.

I want to just—again, I am not an expert witness. I don't have here lots of statistics and material about the immigrant community, but I do know the immigrant experience, having been one, and I can tell you that the immigrants who are here, especially the ones who have been here for a long time who are now seeing efforts to make us feel like second-class citizens, are somewhat disturbed by that move and really felt it important that I come here and speak to that issue.

Thank you very much for having me and it has been an honor. Thank you.

Senator SIMPSON. It is a great honor for us. Thank you very much.

[The prepared statement of Mr. DoCouto follows:]

PREPARED STATEMENT OF VICTOR DOCOUTO

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to submit this testimony regarding immigrants' use of SSI and other welfare programs. As an immigrant myself, it is an unexpected and great honor to be in Washington speaking at a Senate hearing on such fundamental concerns to me and the Portuguese speaking communities of Massachusetts.

PERSONAL BACKGROUND

First, let me introduce myself. I am Victor DoCouto. I was born on the island of Sao Miguel, Azores in 1946. My father was a cabinet maker in the Azores, but in spite of that skill, we were poor. He and my mother, like many immigrants, looked to the United States as a place that offered greater opportunities than life under a political dictatorship in Portugal.

My father came to the U.S. two years ahead of the rest of our family, obtaining work hauling fish in New Bedford, Massachusetts. When he had saved enough money, we obtained our immigration papers and came to our new home in Somerville, Massachusetts. I was six years old when I arrived.

By the time we came, my father had obtained a job as a cabinet-maker, working many long hours to support us, never taking public assistance. He worked at a variety of furniture manufacturing companies, leaving each job only when the company closed, making way for the mass production of furniture. Because of this manufacturing trend, my father never had a company related pension. He contributed to the

Social Security system, and that provided his only income when he retired at age 65.

As was the traditional cultural norm in both the U.S. and Portugal, my mother worked as a homemaker. As we children grew older, she also worked part-time at a low-wage job outside of home. Once their family was raised, my parents had the time to actually study English, and eventually they became proficient, passed the language test, and became U.S. citizens.

As a six year old arrival to the U.S., I was immersed in English kindergarten but had no idea what was happening. Eventually I mastered English and graduated from the public high school in my community. Upon graduation I joined the U.S. Air Force where I served our country for four years. This included a one year tour of duty in Vietnam, While stationed in California in 1968 I took the citizenship test and was sworn in as a U.S. citizen in Los Angeles, California. I was honorably discharged from the Air Force in 1970.

In 1976, I graduated with a B.A. in Sociology and Spanish, and was hired by the Cambridge Organization of Portuguese Americans (COPA), a community based human service agency assisting Portuguese immigrants; in 1977 I was appointed Executive Director of COPA.

In 1984 I attended the Florence Heller Graduate School for Advanced Studies in Social Welfare at Brandeis University, from which I received a Masters in Management of Human Services degree. Upon graduation from that program, I worked for the Massachusetts Department of Public Welfare as an Operations Manager. In that capacity I was responsible for overseeing the operations of twelve local welfare offices.

In November, 1991 I returned to community-based work in Somerville and Cambridge, Massachusetts. I became Executive Director of the Somerville Portuguese Language League (S.P.L.L.) and C.O.P.A. and successfully merged the two organizations in July 1993 to become the Massachusetts Alliance of Portuguese Speakers (MAPS). My duties include financial management, personnel administration, program development, fund raising and community development.

MASSACHUSETTS ALLIANCE OF PORTUGUESE SPEAKERS (MAPS)

MAPS is dedicated to providing culturally and linguistically competent services in Greater Boston to the Portuguese-speaking community which includes individuals from Portugal (Azores, Madeira and the continent), Brazil, Cape Verde, Angola, Guinea Bissau, Macau, Mozambique, Sao Tome and Timor. According to the 1990 Census, statistics from the Roman Catholic Archdiocese of Boston, and the Consulates of Brazil, Cape Verde and Portugal, there are approximately 1,010,000 Portuguese, Cape Verdean and Brazilian Portuguese speakers in Massachusetts, about one fifth of whom live in the Greater Boston area. In addition to providing family support services, health education services, and substance abuse counseling services to this community, MAPS strives to confront barriers to health, education and social services for thousands of community residents each year.

WHY DO IMMIGRANTS COME TO THE U.S.?

Immigrants come to the U.S. primarily to reunite with family members already in the country and improve their economic lot in life. They, as most people, wish to live near family members and will work hard to retain family connections and join their loved ones in the U.S.

IMMIGRANTS' WORK

In Massachusetts, many industries were built on the backs of immigrant labor, including labor intensive work in the fishing industry, at textile mills, the shoe and furniture industries, to name a few. Over the years, these industries have either become highly automated so that many workers' jobs were phased out or the industry disappeared altogether, or companies have moved their manufacturing base to areas with less expensive labor costs.

Immigrants today staff service industries such as cleaning services, food chains, hospitals and nursing homes. Even if these jobs are well below an individual's work capacity, immigrants are willing to work these physically demanding, generally low pay/no benefit jobs. Although these jobs are often ones that native Americans consider beneath them, immigrants are willing to do them to have the opportunity for a better economic life here and to achieve their most important goal, family reunification.

WHY SHOULD IMMIGRANTS RETAIN THEIR ELIGIBILITY FOR SSI?

There currently is a heated debate as to whether immigrants are a benefit or a burden to the U.S. The reality is that most immigrants work, pay taxes, register for military service, and support programs which benefit U.S. citizens. According to the Urban Institute, in aggregate immigrants pay $25 billion more in taxes annually than they receive in benefits.

In the context of the current debate, the question also comes up whether immigrants should retain their eligibility for public benefits, including SSI under any circumstances. Some proposals are to bar immigrants from SSI altogether. Others exempt certain discrete groups of immigrants from the SSI ban while others, though not banning immigrants outright, exclude them through the deeming process.

Before addressing the specific SSI question for immigrants, I would like to stress that immigrants do not come to the U.S. with the goal of obtaining or living on government benefits. In fact, that is the furthest thing from an immigrant's mind. As I have mentioned, the primary reasons immigrants come to the U.S. are to improve their economic lot, to join family members and to make their life anew with the people they care most about. It is my experience that immigrants do anything they can to avoid going to the welfare or Social Security offices. Obtaining the pension they earned through work at retirement is one thing, but getting help along the way is generally distasteful to immigrants. My experience, and statistics bear me out on this, is that the great majority of immigrants are industrious, hard-working, tax-paying, law abiding, financial contributors to our society. If anything, we want to become a member of society, honoring our culture and history, but doing our work and living our life with our families. Immigrants do not want to do anything to jeopardize their ability to live and work in this country. Receiving welfare is considered a disgrace, and not something that anyone does without painful consideration.

Notwithstanding these concerns, immigrants, as all other people, sometimes are faced with unfortunate circumstances and need help. Illness, disability, layoff, and other personal and family emergencies are as unpredictable for immigrants as they are for citizens. Immigrants, just as citizens, might need government funded medical services due to illness or injury. Because immigrants often work in jobs without benefits, they are sometimes forced to seek this help from the government. And sometimes people may not be able to return to work at all, therefore needing cash assistance as well. In these times of crises, immigrants who "play by the rules" should be able to access safety net programs to which their tax dollars contribute.

Retired immigrant workers also need SSI. Often, employment options for immigrants are limited to unskilled, low-wage, no benefit jobs. Indeed, they may have worked their whole life in such a position. I have met immigrants who have worked forty or more hours a week for decades but, because of their low pay, retire with a Social Security benefit of only $100 to $200 per month. These tireless workers, who have paid into the system for years, should not be barred from the SSI program simply because they were not born a native American.

Other immigrants who might also need assistance through SSI include widows. Many immigrant women did what was expected of them and managed their homes for husbands and families. If their husbands precede them in death, they often need SSI to meet their basic needs.

In addition, sons and daughters of immigrant parents, who are themselves U.S. citizens, may not be economically able to take care of their parents in any degree greater than sons and daughters of native born citizens. Our economy today requires many families to work two and three jobs to take care of their own survival. Although sons and daughters may be able to contribute some to the cost of care of their retired or elderly parents, many immigrant families—just as middle class Americans—could not meet the financial burdens of aging parents medical or long-term care needs. Such elders should not be barred from SSI simply because they are not native-born U.S. citizens.

ROLES/RESPONSIBILITIES OF SPONSORS

The question is also raised as to why sponsors should not be held responsible for the costs of immigrants living in the U.S. The answer is that sponsors do care for the immigrants they bring to this country. Under current law, sponsors' income is counted as available to immigrants in times of crisis for three to five years for the Aid to Families with Dependent Children (AFDC), Food Stamps, and SSI programs. In addition, sponsors—especially blood relatives—often assist family members in meeting both day-to-day and emergency needs.

Various proposals in Congress propose extending the deeming requirements to many programs well beyond traditional welfare programs and well beyond the current time limits. Although many sponsors contribute to the specific immigrants

whom they sponsor, many people who are sponsors are workers themselves who contribute to the support of programs through their taxes. Although sponsors could be held to greater accountability within the current deeming structure, extending sponsors' obligations through deeming for the lifetime or until citizenship of the sponsored immigrant is an unfair burden on sponsors.

The deeming requirements would be particularly harsh on some immigrants. For example, low wage workers might never earn enough in "qualifying work quarters" to qualify for Social Security; homemakers—who worked at home without pay would never escape the deemed income of their sponsors, and disabled people who, because of an illness or accident before working the requisite number of quarters, would never be free of the deeming requirement.

Some proposals even extend deeming beyond citizenship. Under this idea, even immigrants who become citizens would not be eligible for assistance in a time of crisis or at retirement unless they worked and paid income tax for 40 quarters. This would be a fundamental change in U.S. policy and, for the first time in history, would create two classes of citizens. This unprecedented distinction between American citizens born on U.S. soil and those who naturalize would be unacceptable.

MASSACHUSETTS STATISTICS OF PEOPLE ON SSI

In Massachusetts, these proposals would have an incredibly harsh impact. According to the Department of Public Welfare's December, 1993 "Facts and Figures Report" of SSI caseload numbers, Massachusetts had a total number of 144,175 SSI recipients. Social Security Administration data from December, 1993 in which the actual number of citizens and noncitizens are tracked showed that 20,240 recipients, 14% of the caseload, were noncitizens. Of these, 14,710 people were Legal Permanent Residents and 5,530 were Permanently Residing Under Color of Law.

ABILITY OF AGENCIES LIKE MAPS TO MEET THE SERVICE NEEDS OF PEOPLE DENIED SSI

If the Senate votes to exclude legally present immigrants from SSI as well as other basic support and health care programs, whether it be through a categorical ban or through some extension of the deeming process, states and localities will be faced with having to pick up the cost of income support and medical care for very vulnerable people. That is, by definition, the current population on SSI. This would require states, cities and town to absorb substantial costs for which they have not currently budgeted. Failing an extension of benefits to the SSI population, we can only expect a rise in the number of homeless, destitute and dying people, many of them elderly.

With all due respect, it is unrealistic to imagine that charitable organizations and agencies like MAPS will be able to replace lost government supports and provide basic income and health care to legally present immigrants. Although some increase in volunteers and charitable giving might be possible, it is impossible for public agencies and private charities to assume the enormous responsibility of providing basic income support to the poor, elderly and disabled.

CONCLUSION

In conclusion, I thank you again for the opportunity to share with you my experience and that of the Portuguese-speaking community, as I know it in Massachusetts. I hope that in considering immigrants for public benefits, and particularly SSI you will reconsider the enormous contributions which immigrants have made and continue to make though their work, their taxes, culture and family life to the U.S. economy and society. Immigrants are a rich resource for this nation. It is essential that their safety net through the SSI program be maintained.

Senator SIMPSON. Michael Fix, please.

STATEMENT OF MICHAEL FIX

Mr. FIX. Mr. Chairman and members of the committee, my name is Michael Fix and I am an attorney and a principal research associate at the Urban Institute, a private, non-profit and non-partisan research organization here in Washington. As you have the written statement before you that Jeff Passel and Wendy Zimmermann and I have written, I will simply summarize a few points and ask that you introduce it into the record.

I want to begin by saying that despite some of the problematic trends in benefits use that I will be describing, it remains a fact that the great majority of immigrants in this Nation are self-sufficient. Indeed, roughly 95 percent of immigrant individuals do not receive welfare income.

Our own analysis of the 1990 and 1994 Census indicates that, overall, welfare use among immigrants is slightly higher than it is among natives. But to understand immigrant use of public benefits and to make progress toward fashioning policy in the discreet domains of legal immigration, refugee policy, and control of illegal immigration, it is important to disaggregate that use.

When we do so, we see the two immigrant populations relying on welfare in ways that are disproportionate to their numbers; first, refugees who are in many cases fleeing persecution who often suffer physical and mental impairments and who are eligible for benefits upon arrival in the United States; second, recently arrived elderly immigrants who receive SSI aged benefits. These elderly immigrants typically have not worked enough quarters in covered employment to quality for Social Security, and for them SSI represents a bridge to medical insurance, in this case to Medicaid. I should note, though, that elderly immigrants who have lived in the United States for 20 years or more use SSI at roughly the same rates as natives.

Now, while refugees and elderly immigrants represent 20 percent of the immigrant population, they constitute 40 percent of welfare users among immigrants. Welfare use among working-age immigrants who are not refugees is roughly the same as among natives, but appears to have risen somewhat between 1990 and 1994. We believe this owes to the legalization program and the fact that the legalizing aliens have become eligible for benefits. Most of them live in California where there has been a very hard recession.

Let me turn briefly now to some of the policy recommendations that we advance in our testimony and that respond to the committee's questions. We contend that rising Supplemental Security Income benefits use by the elderly is a serious policy problem, but one that can be best responded to by expanding the deeming requirement and by making the affidavit of support enforceable.

We believe that expanding deeming is a better tool than barring immigrants from benefits because deeming is more flexible. It is one that takes account of the actual availability of resources to the immigrant, and it is one that fairly balances the responsibility to support immigrants between the government, the immigrant himself, his sponsor, and his family. Further, we note from analysis of SSI data that deeming does work to deter benefits use when it is in effect.

But relying on deeming to curb benefits use raises the thorny question of what the right stopping point should be for its application. Should it be a simple term of years, like 5 years, as is currently the law? Should it be to citizenship? Should it go beyond citizenship? Here, we would note that a 5-year deeming period has the benefit of being consistent with other areas of immigration law; that is, it would mirror the waiting period for naturalization, as well as the period during which an immigrant can be deported for becoming a public charge. Further, and this is a point that I think

I would like to emphasize, it would not have the troubling effect of drawing sharp distinctions between the rights of legal immigrants and citizens.

At the same time, though, deeming beyond 5 years to citizenship could generate greater savings to the Government, depending, of course, on naturalization rates. But deeming to citizenship creates problematic incentives for naturalization and it can impose hardships on many of the most vulnerable immigrants for whom naturalization would be difficult. At the same time, though, it cannot be denied that by international standards, citizenship is not hard to attain in the United States and that such a policy would be firmly rooted in law.

Deeming beyond citizenship for life or until the immigrant has worked and paid taxes for 40 quarters, for example, seems particularly problematic, as it would have the effect of creating for the first time in American history a pool of second-class citizens who would enjoy full political rights, but limited economic privileges. Moreover, drawing such a distinction between naturalized and U.S.-born citizens would certainly raise constitutional issues.

Let me conclude with just one comment. With regard to rising immigrant use of SSI disability assistance, we believe that fraud might be effectively combatted by making trained, certified interpreters available to the State officials who have to make eligibility determinations. This language support could help adjudicators pierce the claims of middle-men engaged in fraud, and if the effort were carried out in an even-handed manner, organizations such as the Massachusetts Alliance of Portuguese Speakers might be recruited to provide that language support.

Thank you very much, and I will be happy to answer questions.

Senator SIMPSON. Thank you very much.

[The prepared statement of Mr. Fix, Jeffrey S. Passel, and Wendy Zimmerman follows:]

PREPARED STATEMENT OF MICHAEL FIX, JEFFREY S. PASSEL, AND WENDY ZIMMERMANN

INTRODUCTION

We would like to begin by summarizing several key points presented in this analysis:

1. Overall, immigrants use welfare at roughly the same rate as natives. However, immigrant use of welfare is concentrated among refugees and elderly immigrants.

2. High and rising immigrant use of Supplemental Security Income (SSI) benefits for the aged represent a significant public policy issue that calls for legislative attention.

3. Use of SSI among elderly immigrants is principally a substitute for receiving Social Security income and Medicare benefits.

4. Expanding deeming and making the affidavit of support enforceable represent the most flexible strategies for limiting immigrant use of public benefits, balancing the responsibility for support of needy immigrants between their families and the government.

5. Establishing the appropriate duration of deeming poses difficult policy problems:

(A) Shorter deeming periods (e.g., five years) reflect current law, mirror the waiting period for naturalization, and do not exaggerate differences between the treatment of immigrants and natives by government.

(B) Deeming to citizenship generates greater savings—depending on naturalization rates. But, it creates incentives to naturalize that respond to the availability of public benefits rather than allegiance to the country.

(C) Deeming beyond citizenship (for life, or until the immigrant has worked 40 quarters in covered employment, e.g.) creates a pool of second-class citizens with full political rights, but limited economic rights.

6. Fraud in the SSI disability assistance program may be combatted by making trained, perhaps certified, interpreters available to state officials making eligibility determinations .

7. Analysis of rising immigrant receipt of SSI disability assistance indicates that the sources of increased use for immigrants are the same as those for natives. Thus, to the extent that fraud is not an issue, reform may be more effectively pursued within the area of disability policy than immigrant welfare policy.

GENERAL PATTERNS IN IMMIGRANT WELFARE USE

The current proposals to restrict immigrant access to benefits, including SSI, are premised on the assumption that welfare use by immigrants is widespread, growing rapidly and concentrated among the undeserving. This assumption begs the question: Which immigrants use welfare and are their rates rising?[1]

Overall, immigrants use welfare at slightly higher rates than is the case for natives. According to the March 1994 Current Population Survey (CPS), 6.6 percent of the foreign-born use AFDC, SSI or General Assistance, compared to 4.9 percent of natives. But, to understand immigrant use of welfare, it is critical to disaggregate the immigrant population in several ways: by immigration status, by age, by time of entry to the U.S., and by income level.

In the first place, poverty and benefits use are far more heavily concentrated among immigrants who are not citizens than among immigrants who have naturalized. This owes in large part to the two groups' economic standing: 10 percent of naturalized citizens live in poverty versus 29 percent of noncitizen immigrants.[2]

Further, welfare use is concentrated among two groups of immigrants: elderly immigrants and refugees. Taken together, refugees and elderly immigrants make up 21 percent of immigrants, but account for 40 percent of all immigrant welfare users. Elderly immigrants represent 28 percent of the SSI recipients aged 65 and older but only 9 percent of the total elderly population.[3] Refugees are also significantly more likely to use welfare than the rest of the immigrant population (13.1 percent versus 5.8 percent). This higher rate of use owes to the fact that refugees are thought to be fleeing persecution, have fewer economic or family ties in the United States than other immigrants, and often suffer physical and mental impairments. As a consequence, the Congress has exempted refugees from the public charge provision of immigration law and made them eligible for benefits upon arrival. In fact, there is substantial overlap between elderly and refugee benefits use as refugees account for 27 percent of immigrants over 65 who receive public benefits.

Welfare use among working-age immigrants (18–64) who did not enter as refugees is about the same as for natives (5.1 versus 5.3 percent). However, welfare use within this population appears to have risen in recent years as four years earlier their rate fell below that of natives (2.5 versus 3.7 percent). This rise[4] may be attributable to the fact that the 2.6 million immigrants who legalized under IRCA have recently become eligible for benefits. Further, the immigrant population was especially hard-hit by the recession in the early 1990s, in part because such a large share lives in California. Another source of increased welfare use among working-age immigrants is rising immigrant receipt of SSI disability assistance (which we discuss below).

Looking beyond cash benefits, a 1995 Congressional Research Service study found that the foreign born are no more likely to use food stamps or Medicaid than the native born. In each instance, higher levels of use among noncitizens was offset by lower use by naturalized citizens.

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[1] We have addressed these issues elsewhere. See, especially, Michael Fix and Wendy Zimmermann, "When Should Immigrants Receive Public Benefits?" The Urban Institute,1995; Michael Fix and Wendy Zimmermann, "Immigrant Families and Public Policy: A Deepening Divide," The Urban Institute,1995; Michael Fix and Jeffrey S. Passel, *Immigration and Immigrants, Setting the Record Straight*, The Urban Institute, 1994.

[2] About 14 percent of the native-born population is in poverty (March 1994 CPS).

[3] Charles Scott and Elsa Ponce, "Aliens Who Receive SSI Payments," Office of Supplemental Security Income, 1994.

[4] Although this change in rate of welfare receipt for working-age (non-refugee) immigrants between the 1990 Census and 1994 CPS appears large, it is not statistically significant at conventional levels (95 percent confidence). Thus, the reasons described in the text must be considered speculative.

While the current debate suggests that immigrants are inclined to welfare dependency, immigrants who are poor remain substantially less likely to use welfare than natives (16 percent versus 25 percent).

Growth in SSI aged and SSI disability rates

The Social Security Administration recently reported that approximately 785,400 aliens received SSI benefits as of December 1995. This number was more than double the number receiving benefits six years earlier, and six times the number receiving SSI in 1982, the first year for which such records were kept. Between 1982 and 1993 the share of total SSI recipients who are immigrants rose from just over 3 percent to 11.5 percent. While this rate of growth in SSI use by immigrants is very high, one should not lose sight of the fact that SSI use overall is confined to only three percent of the foreign-born population (versus two percent of the native population). Four key indicators of SSI use by immigrants in 1993 are set out below:[5]

	Percentage of population
Percent of total SSI recipients who are aliens	11.5
Percent of SSI elderly recipients who are aliens	28.2
Percent of SSI blind and disabled recipients who are aliens	5.9
Percent of foreign-born who receive SSI	[6] 3.3

Factors in SSI Growth. The comparatively heavy immigrant reliance on SSI owes to a number of factors. First, and perhaps most importantly, many elderly immigrants (particularly those who have arrived in the United States relatively recently) have not worked enough quarters in covered U.S. occupations to qualify for Social Security benefits. This is either because they have not been in the United States long enough or because they have worked for employers who have not paid Social Security taxes for them. Second, for many elderly immigrants SSI represents a bridge to Medicaid, and hence to affordable medical insurance, given their ineligibility for Medicare.

The substitution of SSI for Social Security among elderly immigrants manifests itself in several ways. Nearly 80 percent of alien recipients of SSI do not receive any Social Security income, compared with 50 percent of citizen SSI recipients. Length of residence in the United States is crucial because of the necessity of working long enough in covered employment to qualify for Social Security and Medicare benefits. For immigrants who have lived in the United States for at least 20 years, SSI use is only slightly higher than that of natives (8.7 percent versus 6.9 percent).[7] However, almost one-third of the 513,000 immigrants who arrived between 1970 and 1990, report receiving SSI income in 1990. The differential between those who have qualified for Social Security and those who have not is extraordinary—about 15 percent of post-1970 immigrants with Social Security income also report SSI income, whereas 39 percent of those with no Social Security income receive SSI.

Third, rising demand for SSI benefits among immigrants is, in part, a demographic phenomenon, reflecting the sharp growth in the immigrant population that has occurred over the past thirty years. Between 1982 and 1993 alone, legal immigration (including refugee admissions) almost doubled from 650,000 to 1.1 million per year. Accompanying this increased inflow has been dramatic growth in the number of elderly immigrants with relatively short durations of residence in the United States. Although the number of elderly immigrants has decreased slightly overall from 3.0 million in 1970 to 2.7 million in 1994, the number who have lived in the United States for less than 10 years doubled between 1970 and 1980 (from 93,000 to 175,000) and then doubled again to 350,000 in 1994. Indeed, if we focus on immigrants who have been in the U.S. 20 years or less, we see that this elderly immigrant population more than tripled between 1970 and 1994; the number actually increased by more than 30 percent between 1990 and 1994, alone.

Increased immigration over the last three decades will translate into even more elderly immigrants in the future as today's foreign-born residents age. The number

[5] From SSI 10-Percent Sample File (Scott and Ponce, supra note 2) and March 1994 Current Population Survey

[6] Derived from Current Population Survey, March 1994. See, generally, "Native and Naturalized Citizens and Non-Citizens: An Analysis of Poverty Status, Welfare Benefits, and Other Factors," Congressional Research Service, February 1995.

[7] These figures and others following in the paragraph are derived from tabulations of the 1-percent Public Use Microdata Sample (PUMS) of the 1990 Census.

of foreign-born residents aged 65 and over is projected to rise rapidly from 2.7 million in 1990 to more than 4.5 million in 2010.[8] Many of these, however, will have worked in the United States long enough to qualify for Social Security and Medicare coverage. However, the number of relatively short duration elderly is likely to continue to increase as the large number of adult immigrants who are naturalizing today seek to reunite with their parents.

Research conducted by Frank Bean and his colleagues at the University of Texas documents that most of the rise in immigrant use of welfare between 1980 and 1990 is due to increasing numbers of immigrants, not an increasing propensity on the part of immigrants to use welfare.[9] Over the decade, the rate of welfare use in households headed by Mexicans, Guatemalans, and Salvadorans actually decreased slightly, although it remained higher than that of native households. In households headed by immigrants from refugee-sending countries, the rate of welfare use rose slightly during the 1980–90 decade. It is the large expansion in the number of immigrants from these areas that fueled overall increases in immigrants' use of welfare. For the balance of the immigrant population (representing two-thirds of immigrants in 1990), the rate of welfare participation decreased during the decade, remaining below that of natives.

In addition to demographic factors, it stands to reason that increased use also owes to liberalized eligibility rules, as well as greater awareness of the program—achieved in part through greater outreach. But we are aware of no research that systematically documents the effects of these developments on SSI use patterns by immigrants.

While it is often assumed that Asian immigrants predominate among recipients of SSI benefits, in fact noncitizens from Mexico, the former Soviet Union, and Cuba supply the largest numbers, accounting for one-third of all immigrant SSI recipients. Chinese recipients of SSI—who have been the subject of so much controversy—represent roughly five percent of total beneficiaries nationwide,[10] a figure below their representation in the population of recent elderly immigrants.

Distinguishing SSI Aged and Disability Assistance. There are, in effect, two distinct categories of assistance under the SSI program: one that provides aid to the poor elderly; the other provides benefits to the blind and disabled who are poor.[11] Both have witnessed a steady rise in the number and share of immigrant recipients since 1982.

There are important differences in immigrant enrollment between the two programs, however. Although immigrant enrollment in the SSI disability program is currently rising at a faster rate than enrollment in the elderly program (22 percent versus 10 percent between 1993 and 1995), immigrants make up a far larger share of all recipients in the SSI elderly than in the disability program (28.2 versus 5.9 percent in 1993).

The rapid rise in disabled immigrants' use of SSI should be viewed within the context of extremely fast overall growth in the SSI disabled population. Lewin-VHI recently conducted an econometric analysis of growth in SSI disability awards. They report that SSI applications from noncitizens grew much more rapidly than those from citizens between 1988 and 1992—at an average annual rate of 17.4 percent versus 9.8 percent for citizens.[12] However, the report's authors conclude that rapid growth in immigrant applications during this period was due to the same factors that are behind growth in applications from citizens. These include increased unem-

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[8] John R. Pitkin and Patrick A. Simmons, "The Foreign-Born Population in 2010: A Prospective Analysis by Country of Birth, Age, and Duration in the U.S.," forthcoming *Journal of Housing Research*, volume 7, number 1, Fannie Mae, Washington, D.C.

[9] Frank D. Bean, Jennifer V.W. Van Hook, Jennifer E. Glick, "County of Origin, Types of Public Assistance, and Patterns of Welfare Recipiency Among U.S. Immigrants and Natives," University of Texas at Austin, forthcoming in *Social Science Quarterly*.

[10] Data provided by the Social Security Administration.

[11] To qualify for SSI under the aged category, the applicant must be 65 years or older and meet income guidelines. The "blind" are "individuals with 20/200 vision or less with the use of a correcting lens in the person's better eye. . . . Disabled individuals are those unable to engage in any substantial gainful activity by reason of a medically determined physical or mental impairment expected to result in death or that has lasted, or can be expected to last, for a continuous period of at least 12 months. . . . Also a child under age 18 who has an impairment of comparable severity with that of an adult can be considered disabled." Comm. on Ways and Means, *Overview of Entitlement Programs, 1992 Green Book* 102d Cong.2d Sess. 1992 at 778.

[12] See Lewin-VHI Inc (1995). *Labor Market Conditions, Socioeconomic factors and the Growth of Applications and Awards for SSDI and SSI Disability Benefits (Final Report).* Washington, D.C.: The Office of the Assistant Secretary for Planning and Evaluation and the Social Security Administration; Lewin-VHI, Inc. (1995). *Longer Term Factors Affecting Disability Program Applications and Awards (Draft Report).* Washington, D.C.: The Office of the Assistant Secretary for Planning and Evaluation and the Social Security Administration.

ployment, more liberal eligibility rules introduced by the courts, the Congress and the Administration (particularly in the area of mental and pain-related impairments), and state efforts to shift beneficiaries from state programs such as General Assistance to federally financed programs. The authors attribute the faster growth rate among immigrants to the fact that the recession that occurred during the early 1990s had a larger impact on legal aliens than citizens.

THE POLICY RESPONSE

It strikes us that the issues raised by rising levels of SSI use on the part of immigrants are significant and suggest a number of possible legislative responses.

Guiding Principles. As we have indicated in earlier testimony before this committee, we believe that reform should be guided by five principles:

1. Promoting self-sufficiency.
2. Promoting family and not government responsibility for immigrants' support.
3. Providing a safety net for immigrants and sponsors if they fall on hard times and require transitional assistance or when a disabling injury occurs or condition emerges.
4. Reducing administrative burdens and complexity.
5. Promoting immigrant integration—both by insuring that immigrants do not become welfare dependent and by ensuring that they have access to programs that promote human capital development.

The Committee has asked for comments on four proposed strategies:

- a bar on immigrant benefits;
- expansion of the current deeming requirements;
- increased use of the deportation power for welfare dependent immigrants;
- mandating that immigrants obtain health and long term care insurance prior to entry.

General Concerns. While each of these strategies offers differing strengths and weaknesses, they raise a number of common concerns. Each redefines the membership of legal immigrants within the society, widening the gap between the mutual support obligations of immigrant and native families.

Further, each of these strategies needs to be viewed within a larger context of potential shifts in immigration policy that have been proposed by this Committee and by others. In this regard, policy makers need to be attentive to the cumulative effects of changes in both social welfare (or immigrant) and admissions (or immigration) policy. We are concerned that immigrant families—which have been justly celebrated for their strength—will be forced to contend with the simultaneous loss of a wide range of public benefits, at the same time that the social capital (child care and the like) made available from siblings and parents will be put out of reach.

Finally, the intersection of benefits rules and immigration law has always been an extraordinarily complex area of program administration—one where complexity itself has made administration so difficult as to defeat Congressional objectives. We remain concerned that proposed changes will essentially generate three separate regimes of welfare eligibility—one for natives; one for current immigrants (those in the U.S. at the time of passage); and one for future immigrants.

Bars and deeming

We believe that the sponsorship and deeming system has a powerful logic to it on which reform can profitably build. Under the public charge provision of the immigration laws, immigrants can be excluded from the United States if they appear likely to become welfare dependent. One way to overcome this exclusion is to have a sponsor (often a family member) with sufficient income or assets sign the affidavit of support. The sponsor's income is currently deemed to be available to the immigrant for the purpose of qualifying for three means-tested programs: AFDC, SSI and food stamps. These mechanisms allow the nation to admit immigrants who may be poor at the time of entry but have the potential to work and contribute to the economy. They also balance the responsibility for support of needy immigrants between their families and the government.

We believe that deeming is preferable to barring immigrant use of public benefits because it represents a more flexible policy instrument that can take into account the financial support that is actually available to the immigrant. This support can be suspended as a result of the sponsor's death, extended unemployment, or abandonment of the immigrant.

For deeming to work, though, the affidavit of support needs to be made enforceable between the immigrant, the sponsor, and the state. At the same time, deeming requirements should be waived when it can be demonstrated that the immigrant

has been abandoned by the sponsor, which is currently not permitted by law. This strategy would provide immigrants with access to a safety net while at the same time allowing the state to recoup its costs from the sponsor. It should be borne in mind, though, that in most instances deeming will translate into effective disqualification of immigrants who apply for benefits.

The expanded application of sponsorship and deeming requirements raises a number of difficult design issues:

- How long should deeming and the affidavit of support last? Three years? Five years? To citizenship? Until the immigrant has worked 40 qualifying quarters? For life?
- Should expanded deeming requirements be applied to immigrants now in the U.S. or just to future immigrants?

Identifying the best "stopping point" for deeming and the affidavit of support is extremely difficult, as this Committee knows. Current legislation calls for three years of deeming for AFDC and food stamps and extends deeming for SSI to five years. The extension to five years for SSI will lapse in 1996 and will need to be reauthorized. This five-year deeming period has a number of virtues. One is transparency and consistency. Five years is the period during which an immigrant can be deported for becoming a public charge, the period that most immigrants must wait to apply for citizenship, and the length of time that legalizing immigrants under IRCA were barred from benefits use. Deeming for five years premises eligibility on sustained residence, a good indicator of integration.

Such a reform would, however, generate less savings than other strategies, and may not substantially diminish the high, sustained levels of SSI use on the part of the elderly immigrants. One response, then, could be to set citizenship as the stopping point for deeming. Deeming until citizenship within the SSI program, however, raises a number of concerns. Such a requirement would tend to penalize those immigrants who have the greatest needs—that is, those who would find it particularly difficult to pass the requisite naturalization tests. Deeming to citizenship also begs the question whether we want to make citizenship the gateway for public benefits, rather than a statement of allegiance to the nation. At the same time, though, the relative ease with which citizenship can be attained, the limited time period until it can be achieved (five to six years), and the fact that conditioning aid on citizenship has a firm basis in law,[13] may recommend this particular stopping point.

From a savings perspective, though, the Congress might want to move deeming beyond citizenship to the life of the immigrant or to some marker of economic contribution—say to 40 quarters of qualified employment. The serious problem this proposal presents is the creation for the first time of a pool of second-class citizens who would hold full political rights, but limited economic rights.

Proposals have also been advanced to strengthen the definition of a public charge and to enforce the deportation of those immigrants found to become a public charge within their first five years in the U.S. It should be noted that few immigrants use welfare during their initial years in the U.S. because of the effect of deeming requirements.

Mandating health and long term care insurance

In addition to providing a cash payment to beneficiaries, SSI gives the poor elderly access to health care by making them eligible for Medicaid. Anecdotes suggest this is a prime motivating factor for many elderly immigrants' enrolling in the program. Proposed reforms would require sponsors to ensure that immigrants are covered by health and long-term care coverage. In many instances, though, relying on the private market to provide health and long-term care insurance for elderly immigrants would prove to be prohibitively expensive and make it impossible for citizens to unite with their parents. Indeed, our own analysis indicates that the Administration's estimates are correct: the average costs of obtaining health and long-term care coverage for older immigrants would be $7,000 to $ 13,000 annually.[14] Further, some private insurers would be unlikely to offer health insurance to elderly immigrants at any price.

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[13] In the landmark case *Mathews* v. *Diaz,* the Supreme Court held that: "The decision to share the nation's bounty with our guests may take into account the character of the relationship between the alien and this country. * * * Congress may decide that as the alien's tie grows stronger, so does his claim to an equal share of that munificence." 426 U.S. 67 (1976).

[14] See, letter of Andrew Fois, Assistant Attorney General, U.S. Department of Justice, to Alan Simpson, Chairman, Subcommittee on Immigration, November 28, 1995.

One intermediate solution might be to make it easier for recently-arrived elderly immigrants to buy into Medicare Part A at the full actuarial value.[15] (Medicare Part A is essentially hospital insurance that helps pay for inpatient hospital care, skilled care in a nursing facility, home health care and hospice care.) But even this proposal would be quite expensive for the immigrant or the sponsor, costing approximately $360 per month.

Congress might also consider making Medicare Part B available to such recently-arrived immigrants—again at the full actuarial value: which is roughly four times the discounted price at which it is made available to citizens. Part B Medical Insurance helps pay for doctor care, outpatient hospital services, medical equipment and other services.

As there is no government issuer of long-term care insurance, designing a policy solution that does not leave immigrants at the mercy of the economic forces that drive costs in this area seems particularly difficult.

Eliminating (reducing) fraud in claims for SSI disability

Another policy issue raised by the Committee is the expansion of fraud in the SSI disability program—often through the use of middlemen serving as translators. One rather straightforward solution would be to ensure that state officials who screen and adjudicate such claims have access to trained and, perhaps, certified interpreter pools. These interpreters would be in a position to aid government workers in assessing the merits of immigrants' claims. If such a program were implemented in an even-handed manner, community agencies might prove to be good sources of individuals who could provide language support.

We have noted that the sources of rising use of SSI disability benefits among immigrants are the same as those within the native population. Thus, to the extent that rising disability use among immigrants is not due to fraud, it may be more comprehensively and effectively addressed within the domain of disability policy rather than immigration policy.

How do we make immigrants self sufficient?

We should begin by noting that most immigrants are self-sufficient: 94 percent of immigrants in the U.S. do not receive welfare benefits. In addition, we would like to make four observations.

First, a number of proposals advanced under the rubric of "welfare reform" would bar legal immigrants from all "needs-based" or "means-tested" federal programs. These proposals are problematic for many reasons, one of which is their potential impact on immigrant self-sufficiency. In this regard, they are troublesome because they fail to draw distinctions between cash transfer programs and programs that develop human capital. Despite the fact that job training programs, adult education, child care and the like represent a classic "hand up" for immigrants and natives alike, and not a "hand out," such programs would be restricted to immigrants just like cash transfer programs.

Second, researchers have shown that one of the surest paths to economic mobility is learning English. Thus, one legislative response to aiding immigrants' transition to self-sufficiency might be to focus on the resources dedicated to English language acquisition on the part of immigrants. According to our estimates, the federal government spends only $300 million combined on the two principal programs designed to increase English language proficiency: bilingual education for elementary and secondary students (funded at $195 million in FY1995) and English as a Second Language (ESL) for adults (approximately $100 million FY1995). Economists have documented that the return on investment for increased language skills exceeds other forms of human capital expenditures.[16]

Third, we believe that it is important for policy makers to consider the cumulative effects of proposed changes in immigration policy as well as changes in immigrant eligibility for public benefits—especially as they are felt by the immigrant family. We need to make sure that the immigrant family is not simultaneously losing financial support provided by the public sector, losing its access to human capital development programs, and, at the same time, losing its access to the family's social capital—represented by adult siblings and parents.

Finally, we would urge the Committee to examine the lessons that have been learned from the early employment experiments that have been undertaken in refu-

[15] Legal permanent residents can only enroll in Medicare if they are 65 or older and *eligible for Social Security* or if they have resided continuously in the U.S. for five years and purchase Medicare Parts A and B or Part B only. (Part A may not be purchased by itself.) National Immigration Law Center, *Guide to Alien Eligibility for Federal Programs*, 1992.

[16] See, generally, Barry R. Chiswick and Paul W. Miller, "Language in the Labor Market," in Barry Chiswick (ed.), *Immigration, Language and Ethnicity*, AEI Press, 1992.

gee resettlement programs to assess their implications for legislation. Along these same lines, examining the refugee programs in California and New York—where most refugees are concentrated and where refugee welfare use rates are particularly high—may go a long way toward alleviating refugee welfare use overall.

Are benefits a magnet for immigrants?

While the number of immigrants participating in the SSI program has increased at a striking rate in recent years, there are no reliable survey data of which we are aware that indicate that immigrants come to the U.S. for welfare. Indeed, the motives for individuals to migrate (either to the United States or within the United States) cannot be definitively parsed into welfare benefits, social benefits, or other economic factors. Census and survey data indicate that economic factors other than welfare predominate in migratory decisions, however. And in fact, immigrants generally have done well in the labor market. They have, for example, a higher rate of business formation than do natives.

Senator SIMPSON. Now, Mr. Norman Matloff, please.

STATEMENT OF NORMAN MATLOFF

Mr. MATLOFF. Thank you. I, too, would like my written testimony to be entered into the record. I would like to point out, though, that on the plane ride over here I discovered a number was omitted on page 13. It is only in a footnote, but for those interested, the number of so-called parachute kids is estimated to be between 30,000 and 40,000 in the United States.

Senator SIMPSON. What did it say in the paper?

Mr. MATLOFF. It didn't; the number was just not there.

Senator SIMPSON. I see. That is very important. Senator Feinstein has been very vitally interested in that. Thank you for that, and we will share that with her.

Mr. MATLOFF. OK, and I can give a reference if she is interested.

Senator SIMPSON. I am sure she will be.

Mr. MATLOFF. I do urge the committee to read the full written testimony. This is one of the topics in which the details really do matter. But to summarize, my report does focus on Chinese immigrants. I have been immersed in the Chinese immigrant community for 20 years. I speak Chinese, Cantonese and Mandarin, so I focus on that group. When I say Chinese, by the way, I am speaking of it as an ethnic group, so I am including people both from China and also Taiwan and Hong Kong. Indeed, the biggest usage of SSI appears to be among people from Taiwan.

In 1990, if you look at Chinese elderly people who came to California, emigrated to California, during the 1980's, it turns out that in 1990, 55 percent of them were on welfare, and by virtue of age that means SSI. The consensus among everybody dealing with this in the community is that today, in 1996, the figure is even higher than 55 percent. Fifty-five percent, of course, was already high, over half. This figure, by the way, includes both green card holders and naturalized U.S. citizens. If you separate them, though, you get about the same numbers.

Another point is that in the Chinese case, among recent elderly immigrants, both the parents and their adult children do plan at the outset for the seniors to go on welfare among recent immigrants. If you look at the old-timers, they were too proud to take it. That has changed 180 degrees.

There is a question about people who really need it. Nobody wants to see aid withdrawn from people who really need it, but I do want to point out that virtually 100 percent of the SSI recipients

in the Chinese case or in the sponsored immigrant case don't need it because their children, when they sponsored the parents to come here in the first place, did go through the affidavit of support. In other words, the children certified that the seniors do not need welfare. So, by definition, virtually 100 percent of the elderly immigrants on welfare don't need it.

As has been pointed out several times today, if somebody is 65 years old at the time they emigrate and they don't have substantial savings of their own, it is very obvious that they are indeed going to go on welfare, which they are. This is what they have been doing. The children of the seniors who emigrate and are on welfare tend to be well-off. Seventy-five percent of them have incomes above the median for California.

You may be interested in seeing this. This is from the World Journal. It is one of the most prominent Chinese language newspapers in the United States. It features a semi-regular advice column, a Dear Abby-style column on getting SSI and other benefits. The very first one, by the way, is somebody in Texas who is planning to move to California, and that explains one of the reasons, at least, for the point that Senator Feinstein made about a disproportionate number of immigrant SSI recipients living in California. The two elderly people here are leaving their children who are in Texas. So, you know, the idea of family reunification is being undermined here. They are disunifying, actually.

In terms of solutions, 2 years ago I testified on the House side on this problem when the idea of saying that green holders, legal resident aliens, would be ineligible for welfare—that was first proposed around that time in the Republican welfare bill. At the time, I testified that that would not solve the problem. I said what you will see is that the immigrants will—in response to that, they will naturalize in record time, and I believe the committee is aware of the fact that my prediction has already come true even without passage of the bill. Merely in anticipation of such a bill, people have been flocking to the INS to naturalize. So if you just do that, then all you do is you postpone the problem by a couple of years until they get citizenship.

My point is that I will make another prediction here. If you don't do something about restricting eligibility past naturalization, then the only other way to solve the problem is to simply not allow the seniors to come and emigrate in the first place. If you don't do those things, my prediction is that we will be holding hearings like this for the indefinite future.

One more quick point on the issue of legal versus illegal immigration. It is too bad Senator Feinstein is not present now. I am sure she knows the man I am going to quote, Po Wong. He is a prominent ethnic community activist in San Francisco from the Chinese Newcomer Service Center. His job is to help new immigrants find jobs, find housing, and so on. He has stated several times publicly that the rate of legal immigration—the yearly quotas are higher than the Chinese community can absorb. If you look at Sanford Unger's new book on immigration, that is one of the places where he is so quoted.

To me, it seems interesting and sad that people are saying that we have to protect earlier immigrants by taking new ones. The ear-

lier ones are being hurt, as Po Wong says, and the idea that we have to help the earlier ones by taking new ones is somewhat akin, I believe, to the old Vietnam War general's comment that we had to burn the village to save it.

Thank you.

Senator SIMPSON. Thank you very much.

[The prepared statement of Mr. Matloff follows:]

Welfare Use Among Elderly Chinese Immigrants

Testimony to the Senate Judiciary Committee
Subcommittee on Immigration

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1 Executive Summary

We as a nation are justifiably proud that we have in place a system which provides

a "safety net" which protects the truly needy in times of financial desperation. As is well known, though, this safety net in some cases becomes a permanent way of life. What is much less well known is that in the last decade or so, a "new" class of permanent welfare users has arisen, growing at an alarming rate—elderly immigrants.

As someone who has been immersed in the Chinese immigrant community for 20 years, I became interested in usage of public assistance among that group, particularly in the SSI welfare program.[1] Drawing upon 1990 Census data and many interviews with those involved, I found that:

- Despite their Model Minority image and political conservativism, approximately 55% of elderly Chinese immmigrants were on welfare, a striking contrast to the 9% figure for native-born seniors.

- The Chinese seniors who immigrate these days do not consider receiving welfare to be a stigma. On the contrary, they view it as a normal benefit of immigration, whose use is actually encouraged, like a library card. They are unaware of the fact that welfare is intended only as a safety net.

- The immigrant Chinese senior welfare recipients do not need the money. This is true by definition, because at the time a senior immigrates, his/her children must demonstrate to the Immigration and Naturalization Service (INS) that they have the financial resources to be able to support the parent.

- Through Chinese-language books and newspapers, and most importantly through an extremely efficient word-of-mouth process, the Chinese seniors are exceedingly well-informed about welfare.

- In recent years most Chinese seniors immigrate to the U.S. with the advance intention of going on welfare. Moreover, even Chinese immigrant advocacy groups admit that the seniors' adult children who sponsor them to immigrate also have this advance intention.

- The noble intentions of "family-reunification" provisions under which the children sponsor their elderly parents to immigrate often bear little or no resemblance to reality. Indeed, one Asian-American community activist has noted that cancellation of SSI benefits would force many seniors to "move back [in] with families that don't want them."

- The children who do have their elderly parents living with them often actually make a profit from their parents' SSI checks.

- The vast majority of the immigrants seniors on welfare come from middle-class families with above-average household incomes.

The legal mandate of the INS to exclude applicants for immigration who are "likely to become a public charge" is widely flouted, since in recent years both the immigrants and their children plan in advance for the seniors to go on welfare. *This point is of central importance.* In investigating the problems of explosive growth in SSI usage by immigrants in recent years, it is appropriate to distinguish between immigrant and native recipients, because the immigrants were only allowed into the country on the strength of their—and their children's—promises that they would not make use of welfare.

Details, both statistical and anecdotal, are presented in the following sections. In addition, Appendix A contains a number of

[1] Supplemental Security Income. The welfare program used by a needy person is generally age-dependent: Needy children receive AFDC (Aid to Families With Dependent Children); poor but non-elderly adults receive General Assistance or equivalent; and impoverished elderly receive SSI, the nation's designated welfare fund for the elderly. SSI should not be confused with Social Security.

profiles of Chinese SSI recipients, to concretely illustrate the phenomena treated in earlier sections.

We will discuss here a number of possible solutions to the problem of elderly immigrant use of SSI. Our conclusion will be that *the only effective solutions will require some restrictions on family-reunification immigration, especially concerning elderly parents,* in concert with other measures.

Although our focus is on SSI, a cash form of welfare, another very big fiscal drain is elderly immigrant use of Medicaid/Medi-Cal. There hs been a congressional proposal to require the sponsoring children to provide medical insurance for their aged immigrant parents . This proposal has the potential to bring about very significant savings in government expenditures, but *it will work only if reliable mechanisms of enforcement are put in place.*

Before continuing, it should be noted first that I am discussing legal immigrants (both the seniors and their adult children),[2] who do qualify under welfare agency rules.[3]

2 Investigator's Background for the Study

I am a former statistics professor, with extensive experience with observational studies, and have served as a statistical consultant for the Kaiser Hospital chain, the UCLA Neuropsychiatric Institute, and so on.

I am a former Chair of the Affirmative Action Committee at UC Davis, and have long been active in work supporting minorities, particularly African-Americans, Asian-Americans and Latino-Americans, in programs such as MEP, MORE and SURPRISE.

I have been close to immigrant communities all my life. I spent part of my formative years in predominantly-Latino East Lost Angeles, and my father was an immigrant from Lithuania. I am particularly close to the Chinese immigrant community:

My wife is an immigrant from Hong Kong; I speak Chinese (Cantonese and Mandarin), and my wife and I are raising our daughter to be bilingual; many of our social friends are Chinese immigrants; the television sets in his house are tuned to Chinese-language stations as often as to English ones, and I read the Chinese-language press; I have extensive experience as a volunteer worker in San Francisco's Chinatown, and have long been active in efforts to combat discrimination against Chinese-Americans (see, for example, my article in *Asian Week*, July 14, 1995, reporting the racially-oriented firing of a Chinese immigrant engineer). Dr. Lester Hsin-Pei Lee, a prominent Chinese-American and former member of the University of California Board of Regents, recently appointed me to the Committee for Rational Relations with China. The preponderance of Chinese examples in this report stems from this background.

3 Scope and Methods of the Investigation

Data analysis was done on the 1990 Census data (1% and 5% PUMS tapes). Due to the enormous amount of data involved, my study was restricted to California. Except where stated otherwise, the data are for immigrants residing in California who arrived in the U.S. in or after 1980 but before 1987.

The reason for excluding those who arrived during 1987-1990 is that sponsored immigrants are essentially barred from receiving SSI during their first three years

[2] Throughout this document, I use the word *immigrant* to refer to foreign-born people living legally in the U.S., including both legal resident aliens and naturalized citizens (illegals are strictly ineligible for SSI). I have re-run many of the analyses described here for the subpopulation consisting of naturalized U.S. citizens, and found that the results are very similar, so I have not made a distinction between the two groups.

[3] The pledges which are being broken were for the INS, not pledges made to welfare agencies.

in the U.S.;[4] inclusion of this period would have resulted in a bias. It is important to note that the reason for restricting the analysis to post-1980 immigrants is that the explosion in senior immigrant use of welfare is a relatively recent phenomenon. SSI use among legal aliens (not including naturalized citizens), for example, increased by 580% during the period from 1982 to 1994.[5]

This trend in time is due to the fact that it has only been in the more recent years that immigrant awareness of welfare services has become so highly refined, and that it is the more recent immigrants who consider welfare to be nonstigmatizing.

These time-trend considerations should be kept foremost in mind in any analysis pertaining to this topic. Statistics of overall immigrant use of welfare, unrestricted by time of entry to the U.S., are not representative of the current situation. (This will be discussed further in a later section.)

Subsequently I investigated the human side, interviewing numerous people involved in the general process: social workers at Chinese community centers; immigration attorneys; welfare officials; and the immigrant Chinese seniors themselves.

Note that the community centers are for social activities, places in which a senior can drop by for a couple of hours to alleviate boredom; they are not residences. Accordingly, the people I refer to as social workers are the staffers at the community centers; they are not government social workers as one would find in a Department of Social Services.

I conducted the interviews mostly during October and November of 1993. In order to get statistically meaningful results, I paid close attention to both the size and range of my interview sample. Concerning the latter aspect, I conducted interviews at both urban and suburban locations in the San Francisco Bay Area, and did some supplemental interviews in other areas of large concentrations of Chinese immigrants, such as Los Angeles and New York.

It should be stressed that the interviews revealed a wealth of insight which would have been missed if the analysis had been limited only to the Census data. Yet it must be clarified here that the usefulness of the interviews varied with the type of interviewee: The interviews of the immigrants themselves were of course the most useful. Many social workers knew their clients very well on a personal level, and thus could provide excellent insight.

On the other hand, some other social workers, though equally dedicated, were less knowledgeable about the seniors' personal lives, particularly the central point of the socioeconomic status of their children. An interesting example of this arose when I mentioned to one social worker that many of the elderly Chinese SSI recipients have upscale children who are engineers, successful entrepreneurs, and so on. The social worker insisted that this could not be true for her own clients, who she was sure were particularly poor. I suggested that we ask her clients themselves. She was flabbergasted by the clients' answers, which confirmed what I had been telling her. For example, in the very first SSI recipient family she presented to me, the son was an engineer and his wife a computer programmer.

4 Extent of the Problem

4.1 Welfare in the Form of Cash Payments

The table below presents the percentages of welfare use by immigrants over the age of 65, both overall and from some of the larger immigrant groups, in 1990.

[4] This *deeming period* will be discussed in more detail later.

[5] This figure is from the *U.S. News and World Report*, September 25, 1995. The growth rate of immigrant use of SSI has been higher than the overall growth rate in immigration during the periods in question (see *Aliens Who Receive SSI Payments*, Charles Scott and Elsa Ponce, Office of Supplemental Security Income, March 1994).

group	% on welfare
all immigrants	45%
Chinese	55%
Filipino	39%
Iranian	26%
Korean	50%
Mexican	21%
Soviet Union	66%
Vietnamese	74%
all native-born	9%

As can be seen, 45% of elderly immigrants were on welfare.[6] By comparison, the figure for native-born seniors was 9%.

For the elderly immigrant Chinese (I am using the word *Chinese* in terms of ancestry, and thus including people from not only China but also Taiwan and Hong Kong), the group on which I am focussing here, the figure was 55%. The Chinese figure was the highest among all major non-refugee immigrant groups.

(Later I did similar some analyses for the full U.S., i.e. all immigrants who entered the U.S. during 1980-1987 and who were at least 65 years old in 1990. The figures were similar to, though slightly lower than, the above numbers for California: 37% overall, 34% for all sponsored immigrants, and 47% for the Chinese.)

As mentioned earlier, welfare usage by senior immigrants has been increasing over the years. This general trend also holds for the Chinese:

year of imm.	% on welfare
1980-1987	55%
1975-1979	47%
1970-1974	41%
1965-1969	39%

Indeed, those whom I interviewed—especially the immigrants themselves—felt that the Chinese rate is even higher than 55% today, and is continuing to rise.

For example, Bekki Mar of Self Help for the Elderly, a mega organization of Chinese community centers in the Bay Area, has stated that 85% of the people who drop by to participate in Self Help's social activities are on SSI.[7] Though it could be argued that the clients of such centers might somehow be different than those who do not partake of these activities, interviews with those who have contact with the general senior Chinese immigrant population (or their children), such as the immigration lawyers and the immigrants themselves, do confirm that the rate of welfare usage today is indeed substantially higher than even the 55% figure given by the 1990 Census data.

The high SSI rate among seniors who immigrated after 1980 has been misinterpreted by some analysts.[8] Their reasoning is as follows: Someone who is over 65 in 1990 and who immigrated after 1980 would have been over 55 at the time of immigration. Those who come to the U.S. after age 55 are not likely to accumulate the 10 years of work needed to collect Social Security benefits. In other words, these analysts claim that the high rate of SSI usage among those who arrived in the 1980s is simply due to lack of Social Security.

[6]This figure is for all immigrants, both sponsored and refugees. The rate among sponsored immigrants was 40%. Sponsored immigrants are in contrast to refugees, who are exempt from the law requiring that a person must demonstrate that he can support himself/herself financially, as a condition for entry to the U.S.

[7]See *San Francisco Examiner*, March 1, 1994, and a similar article on the same date in *Sing Tao Daily* (West Coast Edition), a Chinese-language newspaper popular with immigrants from Hong Kong and southern China.

[8]For example, Fix and Passel in *Public Welfare*, Spring 1994, p.10.

But this interpretation is clearly false, as it does not explain the high growth rate in SSI usage in recent years. Nor does it explain the very substantial variation in usage patterns among immigrants of various nationalities, e.g. 55% for the Chinese seniors versus 21% of the Mexican seniors.[9]

To see further that attributing the time trend to lack of Social Security benefits is a misleading oversimplification, look at the following rates of welfare usage, *among those who were 55 or older when they immigrated*:

year imm., 55+	% on welfare, general
1980-1987	45%
1965-1969	33%
year imm., 55+	**% on welfare, Chinese**
1980-1987	55%
1965-1969	43%

In other words, even when we hold constant the lack of opportunity for Social Security, we still find the same upward trend in time.

Even among those SSI recipients who immigrated some time ago, most do not receive Social Security. For example, as mentioned above, 47% of elderly immigrants who came to California during 1975-1979 were on welfare in 1990, but less than one fifth of these, 9%, were receiving both welfare and Social Security.

Thus the increase in popularity of SSI over time is not simply due to lack of Social Security. Instead, as mentioned earlier, it is due to the growing awareness of SSI, and to the fact that SSI has gradually become to be regarded by the seniors as non-stigmatic (which was not the case earlier), and indeed has become a "magnet" which attracts many of them. This will be discussed further in later sections.

Another common error in analyses of immigrant welfare use is that immigrants will avoid using welfare, as welfare use might compromise their eligibility to sponsor further family members for immigration.[10] Most Chinese immigrants who wish to go on welfare circumvent the sponsorship problem by separating the roles of the *petitioner* and the *sponsor*: Suppose Mr.Chow, say, wishes his sister to immigrate to the U.S. If Mr.Chow is on welfare, he obviously cannot certify that he will financially support his sister. But he can ask his son, for instance, to certify that support. The INS then terms Mr.Chow the *petitioner*, exercising his eligibility to bring in his sister, and the son is termed the sister's *sponsor*, the financial guarantor.

4.2 Non-Cash Forms of Welfare

Except where stated otherwise, my use of the term *welfare* throughout this document refers to cash payments. Yet cash payments comprise only part of an even larger problem. The seniors often view the cash as part of a comprehensive package of benefits:

- cash in the form of SSI
- medical care through Medicaid (Medi-Cal in California)[11]
- subsidized housing
- miscellaneous subsidies, such as Universal Lifeline telephone service

Of key importance here is the problem of subsidized housing. (Here I am using the term *subsidized housing* to include not only direct subsidies (e.g. "Section 8") but also other arrangements, such as public housing and also below-market-rate,

[9] Though the Mexican seniors have a lower percentage of usage, their absolute numbers are higher, due to the greater number of Mexican immigrants in the U.S. It should be noted, for instance, that immigration to the U.S. from Taiwan did not become heavy until the 1970s, and immigration from China first became heavy during the 1980s.

[10] Fix and Passel, *Public Welfare*, Spring 1994, p.9.

[11] If one receives SSI, one automatically gets Medicaid. However, in most states, a low-income person can receive Medicaid without being on SSI.

means-tested housing provided by quasi-governmental nonprofit agencies.) The reason this type of welfare is so important is that I believe that the problems in this regard are virtually unknown among those in the media and possibly even in the federal government.

Though the general public image of subsidized housing is that of tenants coming from the native-born underclass, a very significant number of recipients of such subsidies consists of immigrants, especially elderly immigrants from upper-income families. Unfortunately, the Census data do not provide information on housing subsidies, but the large extent of immigrant use can be seen in various other manners. Rosemarie Fan, social services manager with the Oakland Chinese Community Council (Oakland, California), points out for example that

> Within five or 10 blocks from here [Fan's office in Chinatown], you have lots of subsidized senior housing available, with long waiting lists. [The demand is so strong that for some buildings] the wait is more than five years.

A studio apartment in a subsidized building in the Bay Area will typically run from $200 to $300 per month, far lower than market rates, easily allowing the typical senior a substantial degree of discretionary income from his SSI check after paying for rent and food, especially when the other subsidies and benefits are taken into account. (Of course, for those senior SSI recipients who live with their children, most of their SSI check becomes discretionary income.)

4.3 Fiscal Impacts

The Census data show that in 1990 approximately 117,000 foreign-born elderly were on public assistance in California, receiving cash welfare payments totaling $537 million. Note that this figure does not include non-cash forms of welfare, notably Medi-Cal and subsidized housing.[12]

Robert Rector of the Heritage Foundation has calculated that the average American family will pay $3,000 in taxes to cover SSI payments to elderly resident aliens during the next ten years. If he were to count in the naturalized citizens, the figure would be even larger.

SSI is a federal program. Most states, including California, add a supplement to it.[13] The California supplement is $186 per month for a single person, making a total monthly check of $603,[14] though some seniors receive only a partial check.

Some immigrant advocacy groups feel that the fact that the seniors' children are paying taxes justifies the seniors' use of SSI. Indeed, I was astonished when a number of the Chinese recipients I interviewed made statements like, "My daughter pays a lot in taxes, so I want something in return."[15] This of course ignores the fact that welfare is intended as a safety net, not as a return on one's taxes, but I will address this issue anyway, since the argument is used so commonly.

Some analysts, such as Michael Fix and Jeffrey Passel of the Urban Institute, find that taxes paid by immigrants exceed welfare received by them, thus implying a net gain. Others, such as Donald Huddle of Rice University, have claimed a net loss, after accounting for job displacement caused by immigrants.[16]

[12] The Public Assistance field in the Census data is for cash forms of welfare: SSI, AFDC and General Assistance. For the elderly, most cases are SSI, as SSI is the nation's designated welfare program for the aged (and the blind and disabled).

[13] I was asked during my congressional testimony whether Chinese immigrant seniors choose to settle in California because of the more generous SSI stipend in that state. I do not believe that this is the case.

[14] Recently reduced by a symbolic $1, to $602.

[15] A letter to the editor by reader Andy Chan in *Asian Week*, December 16, 1994, also made this argument.

[16] One must also account for the fact that immigrants, through entrepreneurship and consumerism, create some number of jobs for native-borns. However, given the low average incomes immigrants have, they don't consume enough to generate as many jobs as they take: Immi-

Yet the basic taxes-paid-versus-welfare-received comparison itself is misleading, as it ignores the non-welfare services immigrants receive. The correct comparison is that of immigrants to native-borns: All sides agree that on a per-capita basis, immigrants are paying less in taxes than the native-borns, yet are receiving more in welfare services than are the native-borns.[17] That is a net loss, because it implies that the immigrants are not paying their fair share for other government services, such as schools, roads, hospitals, parks, public transportation, the national defense, and so on; their taxes are disproportionately going to welfare.[18]

In addition, the fact that working-age immigrants are productive does not mean that we should then admit for immigration their elderly parents who will go on welfare.

In any case, most governments at the federal, state and local levels are in quite precarious financial condition, and many of the truly needy are not receiving sufficient aid. Thus welfare policy reform with regard to immigrants—who have pledged not to go on welfare—is appropriate.

5 Receiving Welfare Is Not Considered a Stigma

It was essentially universal consensus among all the Chinese social workers and the seniors themselves that—unlike the situation before, say, 1970 or 1975—the Chinese seniors who have immigrated in recent years do not consider taking welfare to be a stigma.[19] On the contrary, they view welfare as a normal benefit of immigration, whose use is actually encouraged, like a library card. The seniors are unaware of the fact that welfare is intended only as a safety net.

Rosemary Fan explained,

> The way they look at it is, "One can apply for SSI after three years [after arriving in the U.S.] so why don't I take advantage of it? Hey, why not, it's there."

She then made an analogy to the seniors standing in line to avail themselves of free promotional items distributed by vendors at the annual Chinatown Street Fair.

Indeed, many of the Chinese seniors I interviewed praised the U.S. for being so generous in providing this "free money." One senior pointed out that a common attitude among the seniors about SSI was *mh hou sit dai*—Cantonese for "don't miss this great opportunity." Another senior

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grants have the same or higher level of workforce participation as natives, but lower per-capita incomes. The lower incomes of the immigrants leads to a lower level of consumerism, thus a lower level of job creation, relative to natives. In other words, immigrants are creating fewer jobs than would the same number of natives, yet they are taking at least as many jobs as natives would—implying a net job loss for natives.

[17] See for example "Immigrants in California: Finding from the 1990 Census," Hans Johnson, California Research Bureau, 1993.

[18] Analyses of immigrant usage of welfare in general are filled with pitfalls for the unwary reader. A number of possible distortions can arise if one is not careful.

For example, as we pointed out earlier, there has been a sharp upward time trend in immigrant welfare usage. Yet many published analyses (or summaries of analyses) on such usage fail to state the time period being used. Many analyses also fail to state whether they have excluded refugees from the figures.

In addition, many analyses of immigrants exclude the elderly, which as we have seen here, are major users of welfare. Most analyses also exclude U.S.-born minor children of immigrants. Those children are U.S. citizens, not immigrants, but by excluding such children, immigrant welfare use statistics are distorted, since those statistics ignore the fact that the immigrant parents obtain welfare via their citizen children.

For these reasons, it is more realistic to use a household basis for analysis. The 1990 Census data show that about 12% of immigrant-headed households in California contain at least one person on welfare, versus about 9% of the native-headed households. In other words, an immigrant-headed household is 33% more likely than a native-headed household to receive some welfare money. See "Immigrants in California: Finding from the 1990 Census," Hans Johnson, California Research Bureau, 1993.

[19] By contrast, San Francisco welfare official Virgil Kocher, who worked in Latino communities, told me that welfare is a stigma in those communities. This was confirmed by others who work in those communities, such as Mark Silverman of the Immigrant Legal Resource Center of San Francisco.

described the attitude as "Everyone else is getting this money, so why shouldn't I?" One of the Chinese social workers simply laughed when I asked if taking SSI was stigmatic to her clients.

In short, the degree of usage of SSI among Chinese has become so high that SSI now appears to have essentially full social acceptance. And as one senior from Taiwan pointed out, the term the Chinese seniors use for welfare has accordingly been euphemized, changing from the old *jiu ji jin*—"economic rescue funds"—to *fu li jin*, roughly "fringe benefits."

Chinese political activists have run aggressive campaigns to promote use of SSI by the seniors. By giving SSI their "blessing," they probably played a major role in fostering the "library card" perception of SSI, as a normal benefit of immigration. (The role of the activists is discussed further in Appendix B.)

6 Lack of Financial Need for Welfare

The vast majority of the immigrant Chinese senior welfare recipients do not need the money. This is true by definition, because of the manner in which the immigration process is set up: The seniors are typically sponsored for immigration by their adult children, who themselves immigrated earlier. In order for the petition for immigration to be approved, the children must demonstrate to the INS that they have the financial resources to support their parents.

This is a central issue in the debate. Consider, for example the following statement made in the *Clinton Report Card* compiled by the Organization of Chinese Americans (OCA) (Washington, DC, July 1994):

"[President Clinton's welfare reform proposal] would make legal non-citizens ineligible for a minimum five-year period for SSI...In addition, for those immigrants whose sponsors have above the median U.S. family income, regardless of number of family members, these immigrants will not be eligible for [welfare] benefits until they become citizens. These provisions undermine a fundamental aspect of U.S. immigration policy—that of family reunification—by burdening the sponsors of immigrants who are denied the benefits. These provisions would also disparately impact the Asian Pacific American community, as over 40% of immigrants from Asia come to the U.S. through family reunification visas."

The claim of "burdening" here starkly ignores the fact that the sponsors must certify that they do have the financial resources to support their parents.[20]

Indeed, because of the above-mentioned financial screening by the INS, those who successfully apply to bring their parents here tend to be of above-average incomes. The 1990 Census data show that 50% of households in which the senior immigrants recipients lived with their adult children had income over $50,000, and 11% were over $100,000, this compared to the 1990 median household income in California of $33,000. Approximately 75% of the households had above-median income.[21]

As seen above, some of the Chinese political activists have objected to analyses based on household income, since many

[20]The OCA portrayal of family reunification here is also misleading in some senses, as will be seen later in Sections 7 and 9 of this report.

[21]These figures are for immigrants of all ethnicities, not just Chinese. However, further analysis shows little variability between ethnicities. For example, the income distribution for children of Asian elderly immigrant welfare recipients is virtually identical to the corresponding figure for Latinos.

Though this may at first seem surprising, it again is a very natural consequence of the fact that the children must pass the INS' financial screening before their parents are allowed to immigrate.

As explained earlier, refugees are exempt from this screening. The income figures here do not distinguish between regular immigrants and refugees. Figures restricted to regular immigrants would be even higher than those shown above. However, it worth noting that even refugee families of elderly welfare recipients can have high incomes, with 34% being over $50,000 and 5% over $100,000.

Chinese households are somewhat larger than average. Their point is that it takes a larger income to support a larger family.[22] Yet the same income disparity holds even after adjusting for household size. For example, among families of size six in which an elderly immigrant SSI recipient lives, the median income was $57,000, while among six-person families in the general population, the median was only $39,000.[23] In other words, the ability to financially absorb a senior (if he/she were made ineligible for SSI) is greater among the six-person immigrant SSI recipient families than among six-person families in the general population.

Indeed, many of the recipients' children are upscale professionals, successful entrepeneurs and so on. Mei Young, an immigration paralegal aide, noted that it is common for a Chinese immigrant husband/wife couple, both Silicon Valley engineers with combined income well over $100,000, to put their parents on welfare. May Yue, director of the senior citizen center at the Chinese Alliance Church in San Jose in the Silicon Valley, made a similar comment about the well-to-do nature of the welfare recipients' families, as did Edna Law, program coordinator at the Self Help for the Elderly Chinese community center in Palo Alto—one of the wealthiest cities in the Bay Area. One senior I interviewed, who effusively praised the U.S. for its generosity in providing him with welfare money, has a son who is a successful physician, a specialist in ob-gyn.

The upscale nature of the recipients' children can also be observed, ironically, in the (relative) failure of the Renaissance Plaza, a commercial condominium project in Oakland's Chinatown. Many Chinese seniors' children had originally signed up to purchase condos for their parents in 1990—but then backed out when subsidized housing was opened in various Chinatown locations. As one Chinatown businessperson put it, "Who wants to pay $130,000 for a one-bedroom when you can [rent] one for almost nothing a block or two away?"[24] In other words, the subsidized apartments, though intended to help the genuine poor, wound up providing windfall savings for well-off immigrants who had previously been prepared to buy condos for their elderly parents.

The general upscale nature of the recipients' children is illustrated further in the sample recipient profiles in Appendix A.

However, it should be noted again that even in cases of families of more modest means, the son or daughter has certified his/her financial ability to support the senior—i.e. they have certified that the senior does not need welfare.

Moreover, a senior will typically have several sons and daughters in the U.S., whose total income—and thus their collective ability to support the senior—is of course much higher than even the high figures cited above.

Thus, the seniors do not fit the picture of financial desperation which we normally associate with those on public assistance. And though they often live in small, simple apartments, many senior welfare recipients enjoy international vacations. Edna Law said that her seniors will typically make a trip home to Asia once a year, especially if they still have children there. Some seniors I interviewed in San Francisco and Oakland had even enjoyed Caribbean cruises, trips to Europe, and so on.

This was illustrated in an ironic manner in an SSI informational meeting in San Francisco's Chinatown on May 20, 1994, held by the Self Help for the Elderly chain of Chinese senior centers and by other political activists. The meeting drew an overflow crowd of elderly SSI recipients. The

[22] They also state, correctly, that Chinese immigrant families often have more members of the family working, but this is irrelevant to the issue of whether the family could support the senior welfare recipient.

[23] This extended to financial assets as well. For example, among families of size six in which an elderly immigrant SSI recipient lives, 72% were home owners, compared to only 52% among six-person families in the general population.

[24] *Asian Week*, December 23, 1994.

activists lambasted SSI reform proposals, calling them immigrant-bashing attacks on the needy. Yet to the activists' chagrin, the most common queries from the "needy" audience involved recipients' concerns that their international vacations might harm their eligibility for welfare!

This is a far cry from welfare kids in South Central Los Angeles who have never even seen the ocean, less than 10 miles away.

7 Welfare and the Chinese Extended Family Structure

In Chinese tradition, adult children respect their elderly parents, support them financially, and have the parents live with them. In fact, such tradition has served as the centerpiece of immigration lobbying efforts made by Chinese advocacy groups, when the activists have opposed congressional proposals to reduce the scope of family-based immigration policies.[25] The reality, though, often differs greatly from this image, with the easy availability of welfare playing disturbing roles.

When I asked why so many Bay Area seniors were living apart from their children, counter to Chinese tradition, the automatic answer given by many social workers and immigrants was that the seniors, most of whom speak no English, find life boring in the suburban areas where their children tend to live. Thus, this line of reasoning goes, the parents move to Chinatown, a move which is accompanied by applying for SSI, subsidized housing, and so on. But this explanation is really a rationalization. The seniors offering this explanation conceded, for example, that most of them could live with their children and yet still take public transit into Chinatown for socializing, shopping and so on. Moreover, this "boring suburbs" rationale completely fails for the senior welfare recipients in the Silicon Valley, since many continue to live in the suburbs after moving out of their children's homes.

Instead, in many cases the children push their parents out of the house. Given the Chinese tradition of close family ties, it may surprise some that a central motivation in many such cases is interpersonal conflict. As one senior explained, "Daughters-in-law don't want to live with their mothers-in-law." Problems of this sort were cited by nearly all of the social workers and immigrant seniors. Welfare, by enabling the seniors to live separately at no cost to the children, provides an all too easy alternative to working out family differences.

When the children ask the parents to leave, the seniors are often emotionally traumatized by the process. May Yue cited as typical a recent case, in which a couple she was helping were shocked because "the son wanted them to move out. They couldn't accept that. They felt really hurt." Yue added that the son had also been forcing the parents to pay rent while they had been living in the son's home, adding to their hurt.

Even the immigration lawyers, belying their hard-bitten reputation, expressed the same concern that welfare was helping to erode Chinese family tradition. One of them, Robert Chan, described a recent incident in which a woman with well-to-do sons was living alone, and had seriously injured herself in a fall. Chan said "I cannot comprehend how one could have one's 75-year-old mother live alone."

These problems were described among Korean immigrants by Bob Kim, executive director of the Korean Community Center of the East Bay in Oakland, has said that cancellation of SSI benefits would force many seniors to "move back [in] with families that don't want them." (*Asian Week*, September 29, 1995.)

And in spite of the well-appreciated activities offered in the senior centers, loneliness is a common problem. One immigrant pointed out that the seniors still return home to an empty apartment after

[25] Note, for example, the Organization of Chinese Americans comments cited earlier.

spending a couple of hours at the community center, and that the center is open only four days per week. I was touched when a client at one of the senior centers even tried to enlist my help in convincing her children to let her move back in with them.

Even if the children do not ask the parents to live separately, in many cases this is largely because the children use their parents as free, in-house baby sitters for the grandchildren. Indeed, this is often a primary reason why the children sponsored the parents to immigrate in the first place.[26] However, once the grandchildren reach the age where they do not need babysitting, the grandparents may be asked to leave.

Though knowledge of SSI is nearly universal among Chinese seniors, some know more than others. Some, for instance, are unaware of the fact that one can receive SSI but still live with one's children. In this case, welfare provides a different motivation for moving out. As Angela Chu, a housing specialist in San Francisco's Chinatown put it, some seniors move out of their children's homes because they mistakenly think that "otherwise they can't get welfare."[27]

As the parents go on the welfare rolls, the children obviously gain financially. As Edna Law noted, the children feel that "It's nice that they don't have to support their parents." Others used blunter terms to describe this, with "greedy" being a popular choice.

But what is less obvious is that the children may actually profit from the senior's SSI funds, in those cases in which the senior does live with the children. In such settings, most of the senior's SSI check will become discretionary income, and much of the check will then become cash profit for the children. Typically, for example, the children will have their parents use their SSI money to pay the children rent, which the children would not have charged otherwise.

One immigrant college student noted other ways in which the children can profit from their parents' SSI checks:

"My grandparents take SSI simply because it's available...They live with my uncle...That [his grandparents' SSI money] is where my parents got the down payment for the house they bought...And my grandparents want to leave the [accumulated SSI] money to us when they pass on."

A number of others interviewed, including some real estate agents, made similar comments to me. Also, in a letter to the editor to *Asian Week* (October 21, 1994), a reader noted that on a recent visit to a Social Security office, "a woman from India who was arguing with the Social Security workers wanted her mother's SSI increased by $72 a month. She needed the increase because her house mortgage is $3,000 a month!"

A senior who lives with his children and has few expenses will quickly exceed the $2,000 limit on bank account an SSI recipient is allowed to maintain. It is thus natural that he will funnel the money to his children.

The Census data show that approximately 42% of the immigrant senior welfare recipients live in their children's households, and another 10% live with other family members. As pointed out by Rosemarie Fan, the marginal cost of providing food for the senior is minimal in such cases. In other words, not only are the recipients' family sponsors reneging on support pledges, but also in about half the cases, there is not even any valid use for the funds received.

Though my interviews were confined

[26] See, for example, *Chinatown No More* (pages 8, 56, 58, 201), by Hsiang-Shui Chen, Cornell University Press, 1992.

[27] Lester Lee, a prominent Chinese-American whose letter to the editor in the Asian-American newspaper *Asian Week* is cited later in this document, stated in the letter, "Unfortunately, by going on welfare, elderly Chinese are forced to stay away from their offspring, thus breaking up the practice of family unity, which is the jewel of the Oriental tradition."

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mainly to California, problems such as those described above are nationwide phenomena among Chinese and other Asian immigrants. Hong Shing Lee, director of the City Hall Senior Center in New York's Chinatown, described for me a similar situation, as did Ruth Chu of the Chinatown Service Center in Los Angeles. An article in the *Boston Globe* on January 9, 1994 briefly alluded to similar problems in Boston's Chinese community, such as children evicting their parents from the children's homes.[28]

Similar problems in Canada were described in *Maclean's*, August 2, 1993:

"[In Canada] elderly reunited parents routinely apply for, and obtain, welfare payments paid for by the rest of us through taxes. That is because sponsorship of relatives no longer means an iron-clad requirement to support relatives, no matter what. In most provinces, the sponsoring relatives merely have to promise that they can no longer afford to support their parents, or whomever. So almost immediately upon arrival, mom and dad can get [welfare] without ever having paid a dime of income taxes and without having to prove definitively that they really need the support payments. To boot, some immigrants have their sponsored parents babysit their children and write the 'expense' off their income for tax purposes as a day care cost."[29]

Two lawyers with a largely Asian practice in New York even brought up such issues in their book, *How to Get a Green Card* (Lewis and Madlansacay, Nolo Press, 1993). In their chapter, "Your Parents as Immigrants," they admonish the children against abusing their parents:

"In Defense of the Elderly: ...It is cruel to relegate your parents to be merely babysitters for your young children...Do not abuse [them] by taking advantage of their presence in your home to do the work you should be doing...do not discard your own mother and father in thought and deed..."

Again, these notions run directly counter to the popular image of Asian reverence for aged parents. In reality, the Confucian of Chinese family relations has a somewhat different nature than what is seen in imagery. In particular, financial considerations play a central role. Adult children are traditionally expected to support the parents financially, but if the government takes on this responsibility, the problem of elderly finances is solved, and thus the children are not socially censured. On the contrary, since SSI, by relieving the adult child of the burden of supporting his aged parents, allows the adult child to spend more money on his own children, it would be considered socially irresponsible of him if he were to refuse to put his parents on welfare. (One Chinese-American journalist who interviewed me agreed that it was awful that so many elderly Chinese are coming to the U.S. to get welfare, and lamented that many of his own relatives were heavy SSI users. He added though, "Well, my uncle's case is an exception. It's reasonable for him to put my grandparents on welfare, because he is putting his daughter through medical school," apparently with no thought to the point that SSI is not an intended as a subsidy for the recipient's grandchildren's education.[30]

[28] An article concentrating on this particular aspect also appeared in the *San Francisco Chronicle*, September 20, 1994.

[29] One joke circulating among Chinese immigrants in Canada takes the form of the pun on the three-character Chinese word for "Canada," *jia-na-da*. (The three characters are used to represent "Canada" because their Cantonese pronunciation, *ga na daaih*, sounds like the English word "Canada.") In the joke, the three characters, *jia*, *na* and *da*, are permuted into *da-jia-na*, which means "Everyone take [welfare]."

[30] There are an estimated "parachute kids" in the U.S. These are pre-teens and teens whose name derives from the fact that their parents in Taiwan bring them to the U.S., and leave them to live here with little or no adult supervision, the goal being to get an early start on studying and later working in the U.S. From the American point of view, this practice borders on child abuse—several American psychologists of Asian descent have published studies finding a disproportionate rate of emotional problems among the kids—but from an Asian viewpoint these parents are doing their best to prepare for the children's financial futures.

Perhaps this breakdown of the traditional Chinese extended family structure would occur anyway. But the availability of welfare is certainly contributing to the process. This is ironically reminiscent of the 1965 Moynihan view of the harmful effect of welfare on family structure, except that in this case it involves the families of upscale Chinese professionals, rather than the families of poor African-Americans cited by Moynihan.

Even in those cases in which the children are well-intentioned and are willing to financially support their parents, the system again gives incentives for them to put their parents on SSI. One of the immigrants described the situation with her elderly mother:

"In the beginning, we lived in the Midwest [where very few Chinese people live], so we didn't know about SSI. Our mother had savings, and we gave her money every month, so that her savings account never decreased...[But then we were advised] that our mother should spend down her money until she is qualified for SSI, so we don't give her money anymore...I guess it's the system."

8 Awareness of Welfare Policies and Procedures in the Chinese Immigrant Community

Coupled with the high rate of welfare use among senior Chinese immigrants is a remarkably high degree of awareness of welfare policies and procedures. Some of the information sources are:

- Word of mouth. This is an extremely efficient method of disseminating information among Chinese immigrants, arguably more so than among some other groups.
- Books. A popular Chinese-language book on life in America, *Zai Meiguo Sheng Huo Xu Zhi* (*What You Need to Know About Life In America*, ISBN 957-677-008-4, Sixth Edition, 1992), sold in Taiwan and Hong Kong, and in Chinese bookstores in the U.S., includes a 36-page guide to SSI and other benefits.
- Newspapers. The largest-circulation Chinese-language newspaper in the U.S., *Shijie Ribao* (*World Journal*), runs a semi-regular advice column on SSI and other immigration-related matters.
- Promotion by community activists. There is a tremendous effort made by the activists, via the Chinese senior centers, Chinese-language television programs and so on, to educate the seniors about welfare benefits.

The degree of awareness of welfare among immigrant Chinese seniors is striking. Edna Law, whose job includes helping seniors apply for welfare, marveled, "Sometimes I'm amazed—the seniors know more than I do!" May Yue made a similar comment, as did Rosemarie Fan, who noted that many recent immigrants "are very knowledgeable about how the system works."[31]

As the number of immigrants on welfare in a given state grows, general awareness of welfare benefits grows as well, creating a feedback cycle which further increases the welfare usage rate. In California and New York, the two largest immigrant-receiving states, a typical immigrant is three times more likely to be a welfare recipient than is a typical immigrant in the nation as a whole.[32] This may be due to other factors as well, but as one of the seniors said, "If you live here in the Bay Area [and thus are

[31] A good example of the seniors often knowing more than the social workers concerns the fact that one can live with one's children and still collect SSI. Some of the social workers were unaware of this. Yet the seniors themselves do tend to be aware of this, as seen in the fact that 42% of the senior recipients do live with their children.

[32] *Implications of Proposals on Legal Immigrants' Benefits*, General Accounting Office Report GAO/HERS-95-58, February 1995, Table 2, p.7

exposed to the Chinese grapevine], you will certainly know about SSI."

One Chinese immigrant I talked to in San Francisco not only had an impressive knowledge of American immigration laws, but also knew that in Canada the sponsoring son or daughter is financially responsible for the parents for 10 years, compared to the American three-year limit.[33] Even the American immigration lawyers I talked to were not so knowledgeable as this concerning Canadian policy. Other magic numbers, such as the $2,000 bank account limit for SSI eligibility, are considered standard components of one's civic literacy.

Edna Law remarked that the seniors from Taiwan are especially knowledgeable about welfare, "very sophisticated...They get all the benefits they can." It is thus not surprising that the *World Journal*, the Chinese-language newspaper which is the most popular daily among immigrants from Taiwan, chose to establish a semi-regular "Dear Abby"-style advice column on immigration-related matters, with SSI dominating the list of questions asked. For example, in the February 27, 1994 issue, of the eight questions listed, seven concerned SSI.

Here are some recent samples from the advice column:

> A California reader writes, "Until recently my wife lived with our daughter, and I lived separately from them. My wife's and my SSI checks totaled $1,110 per month. We are now living together again. Will our check have to be reduced?"
>
> A reader from Chicago asks, "I came to the U.S. in 1989 on a tourist visa to see my children. I overstayed my visa, and have been here since then, being supported by my children. I will soon receive my green card. As I have already been in the U.S. longer than the three-year period, can I immediately apply for SSI and Medicaid?"
>
> A California reader asks, "I currently receive $520 per month SSI. I live with my daughter, and I pay her $300 per month in rent. I would like to move to HUD-subsidized housing, since HUD policy is that one pays only 1/3 of one's monthly income for rent. Please tell me how to apply."
>
> A reader from Florida sends these queries: "My mother is an SSI recipient. She wishes to return home to Asia for a year and a half. Will her SSI benefits automatically be canceled? And when she returns, will she have to reapply for SSI from scratch?"

A senior from Taiwan remarked that many elderly Taiwanese "give their money to their children, put title in the children's names, etc., so that they can qualify [for SSI and also subsidized housing]," taking advantage of the fact, widely known among the Taiwanese, that one can legally circumvent the $2,000 limit on bank accounts for SSI eligibility by transferring one's assets to one's children.

9 Is Welfare a "Magnet" Which Attracts the Seniors to Immigrate?

One question which arises prominently in debate on immigration is whether immigrants come to the U.S. with the advance goal of availing themselves of these services.

To address this question, it is important to recall the point mentioned before concerning the time trend in SSI usage, with usage increasing sharply in recent years. Earlier immigrants knew little about welfare benefits at the time they applied for immigration. But in recent years welfare has

[33] Though Canadian policy has loopholes too, as shown earlier in the *Maclean's* quote.

become a "magnet" which attracts many of them to come to the U.S.

Chinese political activists claim that the seniors immigrate to the U.S. to rejoin their children who immigrated earlier, not to get welfare. Yet many of the senior Chinese SSI recipients live hundreds or thousands of miles from their children whom they have supposedly "rejoined."

For example, consider one group of about a dozen recipients whom I interviewed in a HUD building in Sacramento, California. All the people in the group were from Taiwan, as were most of the other residents of the building. Among those dozen people, I found seniors whose children lived far from Sacramento: Los Angeles, Houston, Florida, New Jersey, New York, Boston and Minnesota. They see their children only once a year or so.

Thus, even though they are coming to the U.S. under the auspices of family-reunification provisions of immigration law, clearly the attraction for immigration in many cases is welfare, not family ties. It was stated by people in the Sacramento group cited above that if immigrant eligibility for SSI were restricted, many now living in their building would return home to Taiwan.

Indeed, it has been widely admitted by people in the Chinese immigrant communities that if welfare were not available, the seniors would not immigrate here in the first place, and their children would not be willing to sponsor them for immigration anyway in such a circumstance. Here are some examples:

- The Sacramento Taiwan seniors cited above said that the elderly in Taiwan would not wish to immigrate here if welfare were unavailable.

- Yvonne Lee of the Coalition of Asian Pacific Americans, who is spearheading lobbying efforts against SSI reform, has conceded that the children would not sponsor their parents for immigration if welfare were unavailable.[34]

- Statements similar to Lee's were made in the *Clinton Report Card* compiled by the Organization of Chinese Americans (OCA) (Washington, DC, July 1994).

- After the Chinese-language *Sing Tao Daily's* Los Angeles edition published an article about SSI abuse, a number of SSI recipients called Jane Wu, the reporter who wrote the article, and made comments like "Why are you calling this 'abuse'? SSI is the reason we come to America in the first place!"

- Dr. Lester Hsin-Pei Lee, a Silicon Valley CEO, achieved prominence among Asian-Americans as the first Chinese-American ever appointed to the University of California Board of Regents. In his letter to the editor in the Asian-American newspaper *Asian Week* (December 16, 1994), Dr. Lee said, "Our welfare system is really a magnet which lures [Chinese] people into this practice."[35]

[34]Lee was interviewed on the Cantonese Evening News, KTSF, Channel 26, San Francisco, June 15, 1994. She later made similar comments on the Chinese Journal on the same station, August 5, 1995.

[35]Other major immigrant-receiving countries which are generous with welfare are also magnets. In an op-ed piece in the *Wall Street Journal* (September 9, 1994) entitled "Welcome to Ontario, Welfare Heaven," W. Bilal Syed noted that "While the majority of people on welfare [in Ontario province] are Canada-born, the number of immigrant and refugee claimants is increasingly very rapidly. Word is out on the world-wide immigration grapevine that Ontario is one of the best destinations if one wants to live happily ever after [on welfare]." Another *Wall Street Journal* article (October 31, 1994) described a similar situation in Israel, saying that many Israelis now fear that Israel's welfare benefits have become "a magnet for those with tenuous links to Judaism but a powerful hankering for an easier life—or a free ride." The *San Francisco Examiner* of December 29, 1994, reported that many people from China come to Australia because of its reputation as "the 'lucky country' where jobs and welfare" are available. The population drain that such magnets are causing in Taiwan resulted in that country's government announcing that it would start its own program similar to SSI—but the government sternly added that this benefit would be available only to those who had worked in Taiwan, in

- At the request of ABC and NBC news crews, I served as translator in interviews of a number of elderly Chinese immigrants, with a key question being, "Would the seniors you know have immigrated if welfare were unavailable to them?" The answer was universally No.

The seniors who immigrate these days do indeed tend to know about welfare services—and make plans to use them later on—at the time they apply to immigrate to the U.S. This is largely due to word of mouth, which among Chinese forms an oral "information superhighway," with busy "offramps" in Taiwan, China and Hong Kong. Hong Shing Lee, the social service director in New York's Chinatown mentioned earlier, told me for example that among many new immigrants who participate in his community center, their first order of business after arriving in the U.S. is to ask him for further details about welfare benefits which they had heard about back home. Ruth Chu of the Chinatown Service Center in Los Angeles stated that organizations in Asia, such as the nonprofit International Social Service in Hong Kong, give detailed advice about SSI to those who are planning to emigrate to the U.S.

One Chinese immigrant, who recently returned to China to visit, reports that people in his home town are quite aware of SSI benefits: "A neighbor in Tianjin has two daughters living in the U.S. Her husband didn't want to depend on his stepdaughters, but she told him that Uncle Sam would provide 'fu li' [welfare benefits] for the retirees. 'Ridiculous,' the husband laughed. 'Why would the Americans give *us* money, while we didn't work for a single day in the US?' The wife turned to me, 'You tell him that it's true that we could each get $600 a month if we got a greencard.'"

Knowledge levels are similarly high on the children's end. The consensus among the social workers and immigrants is that in recent years, the seniors' children, before completing the forms in which they petition the INS for their parents' immigration, typically consult with immigration lawyers, social workers and friends concerning welfare services—to make sure that they (the children) will not have to personally pay for their parents' food, clothing, housing, medical expenses, and so on.

Another way in which it can be seen that the seniors, at the time they immigrate, have plans to go on welfare (or their children have such plans for them) is that the Chinese SSI recipients typically go on welfare immediately after the three-year ineligibility period.[36] Rosemarie Fan described many seniors as "counting the days," waiting for the period to end.

10 The Children's Reneging on Pledges to Support Their Parents

Many analyses concerning immigrant use of welfare fail to address the central issue which distinguishes immigrant users from the native-borns: The immigrants are not supposed to be on welfare in the first place.

The INS requires both the applicants and the sponsors to sign pledges that the applicant will avoid public assistance. Yet, the children who sponsor their parents (and of course the parents themselves) are routinely reneging on their pledges.

INS Commissioner Doris Meissner described the problem recently as follows:[37]

"Sponsorship is an expression of intent, and it is one where the government assumes as a good-faith matter that if a

contrast to the U.S., Canada and Australia, where one can get welfare without having worked a single day.

[36] Again, there is a difference in usage patterns here. Statistics show that Asian SSI recipients tend to apply for SSI immediately after three years, whereas Latino recipients typically wait 10 years or more.

[37] Speech at San Francisco's Commonwealth Club, June 16, 1994.

family attests to its willingness to sponsor...then it will be carried out. This area of elderly immigrants is one where it is not working so well."

Consider a typical scenario in which a hypothetical Ms.Wong, having immigrated earlier, wishes to have her father, Mr.Wong, immigrate as well. One of the forms Ms.Wong will fill out, Affidavit of Support I-134, will request her to demonstrate that she has the financial resources to support her father. In addition to asking Ms.Wong to list her financial assets, form I-134 specifically asks her to affirm "that this affidavit is made by me for the purpose of assuring the United States Government that [Mr.Wong] will not become a public charge in the United States."

Form I-134 weakens its own case a bit, by stating that the form is binding on Ms.Wong only for the "deeming period," i.e. Mr.Wong's first three years in the U.S.[38] Nevertheless, it clearly states that the form's goal is to assure that Mr.Wong will not become a public charge even after that period, i.e. he "will not become a public charge during [his] stay in the U.S."

Moreover, various forms (e.g. OF-230, I-485) will ask Mr.Wong himself to assure the INS that he will not become a public charge in the U.S.; the forms place no time restriction on this pledge.

Yet as mentioned in a previous section, if Ms.Wong is typical, at the same time she is filling out the affidavit I-134, assuring the INS that Mr.Wong will not become a public charge, she is already planning precisely the opposite, i.e. planning that he will go on SSI after the deeming period ends. She is then on shaky legal grounds at best, and is possibly even guilty of perjury. Similarly, if Mr.Wong has such early plans, he is also is skirting the limits of the law.

In other words, large numbers of senior Chinese immigrants and their children are indeed flouting immigration law. Whether they are doing this intentionally or simply signing forms without reading them (the latter is probably common) is another issue. But the bottom line is that these immigrant SSI recipients are violating pledges they made about SSI use, and they should not be on the SSI rolls.

11 Solutions

It was the consensus of the Chinese social workers whom I interviewed that policy regarding immigrant use of SSI is indeed badly in need of reform. Cindy Yee, a social worker with the Oakland Chinese Community Council, summed it up: "The system is not well put together...not strict enough to make the sponsors responsible."[39]

11.1 Past Attempts to Solve the Problem

In the 1978 the INS tried to clamp down, by refusing re-entry in Hawaii to resident alien SSI recipients, mostly Filipino, when they returned from vacations abroad. Asian-American community activists, led by Bill Ong Hing (then a community lawyer, now a professor at the Stanford University Law School), launched a protest campaign against the INS. The latter relented, though it had merely been carrying out existing law. (See *Making and Remaking Asian America Through Immigration, 1850-1990*, Bill Ong

[38] In November 1993, Congress changed this period to five years, on a temporary basis, to revert to three years in 1996. Thus it currently is back at its original three-year value. The name *deeming period* derives from the fact that if Mr.Wong were to apply for welfare during this period, Ms.Wong's financial assets would be "deemed" to be those of Mr.Wong, rendering Mr.Wong ineligible for welfare during that period unless Ms.Wong herself falls into financial hard times. In other words, the deeming period serves the function of forcing the son/daughter to live up to his/her pledge to support the parent—albeit only during the deeming period—while allowing for a safety valve in case the sponsor has an unexpected financial setback.

[39] By contrast, the organizations employing the social workers take the opposite point of view, and have been heavily engaged in lobbying against SSI reform. This is discussed further in Appendix B.

Hing, Stanford University Press, 1993, p.114, especially notes 284-289.) Various court decisions have also hampered INS efforts in this regard.

Such considerations led to the Congress imposing the (three-year) deeming requirement in 1980. Yet, as we have seen, far from sending a signal to immigrants that they could not be applying for welfare so casually, elderly immigrant usage of SSI has skyrocketed since 1980. Clearly, the seniors are quite willing to wait a few years for their SSI.

In November of 1993, Congress was looking for a way to fund an extension to the time one can receive unemployment benefits. Earlier that year, Jennifer Dixon of the Associated Press had exposed the explosive growth of SSI by elderly immigrants, and Congress found this to be a solution to the unemployment-benefit funding problem: It temporarily increased the deeming period from three years to five years, during 1994 and 1995 (reverting to three years on January 1, 1996), long enough to fund the temporary extension of unemployment benefits.

11.2 Recent Proposals

(a) Change INS administrative policy.

In our hypothetical example above with Ms.Wong and Mr.Wong, the INS forms should add questions asking just how Mr.Wong intends to support himself after the three-year (temporarily five-year) deeming period ends. Given that Mr.Wong is past employment age, and assuming that he has no appreciable savings of his own, the INS would be correct under existing "public charge" provisions to deny Mr.Wong permission to immigrate; indeed, such provisions arguably mandate this.

(b) Enact legislation to make immigrant aliens ineligible for welfare.

This would definitely help reduce SSI usage, in that it would be tantamount to lengthening the deeming period to five years or so, in the following sense. With SSI as an incentive, most Chinese seniors who would otherwise not opt for citizenship would decide to become naturalized after all. (In fact, in anticipation of such legislation, the INS has already seen a surge of applications for naturalization in the past year.) One can apply for naturalization after five years in the U.S. So, the net effect of such legislation would be to have a deeming period of approximately five years.

(c) Institute a much longer deeming period of 10 years or more, together with the key feature that *the sponsor is billed for any welfare used by the immigrant during the deeming period—including after naturalization.*

(d) Make SSI conditional on having worked a certain length of time in the United States, as with Social Security.

As the name Supplemental Security Income implies, SSI was designed to supplement Social Security benefits, for those who were in an impoverished state in spite of receiving Social Security. The present usage of SSI by immigrants who have done little or no work in the U.S. is thus not consistent with SSI's intended function. Social Security for the aged requires work of at least 40 quarters. The same requirement could be imposed on SSI.

(e) Reduce the overall annual family-reunification immigration quotas, and/or place specific restrictions on eligiblity of parents to immigrate.

This works directly in the obvious manner. It is discussed in much more detail below.

To evaluate these remedies, one must look to the previous history of reform. For example, though the executive-branch solution (a) above seems simple and thus attractive, we saw earlier that previous executive-branch solutions have failed,

due to pressure from ethnic activist groups. Executive-branch officials have a built-in tendency to side with the activists in such cases, as the general public is not aware of the problems, so that officials get pressure from only one side. In other words, executive-branch fixes are problematic, and INS officials have repeatedly told me that legislation is the only feasible source of solutions.

We also saw that the seniors are quite willing to wait a few years for their SSI. For this reason, solution (b) above, to make resident aliens ineligible for welfare, is useful to some extent, but has limited effectiveness. It would keep the immigrant senior off welfare for an additional two years, but the senior would then receive welfare benefits for the rest of his/her life.

Solutions (c) and (d) are attractive in that they would extend past the time the immigrant naturalizes, but without relegating the foreign-born to second-class citizenship. Both solutions presumably would thus pass constitutional muster, though of course such a thing is never guaranteed. The effect on natives of solution (d) may be a problem.

Solution (e) appears to be an essential component of any approach to solving the problem.

11.3 Placing Restrictions on Family-Reunification Immigration

For the reasons given earlier, the only effective solutions to the SSI problem must be multicomponent in nature, and must include as one of their components restrictions on family-reunification immigration. The latter could take the form of reduced yearly quotas and/or restrictions on the eligibility of elderly parents for immigration.

This solution was recently adopted by the Canadian government. It announced that due to the reneging on pledges by sponsors to support their immigrant family members, the family reunification component of the overall Canadian immigration quota would be reduced from 51% to 44%.[40] The government also tightened enforcement of sponsor pledges.

The June 1995 report of the U.S. Commission on Immigration Reform made a similar recommendation to reduce family-reunification based immigration quotas and tighten up on such policies. The commission specifically referred to the problems of the high immigrant usage of SSI, Medicaid and so on as one of the reasons for such policy changes.

Though the idea of reuniting long-lost loved ones is emotionally appealing, the fact is that most immigrants making use of family-reunification categories come to the U.S. primarily for economic reasons, rather than for the putative goal of rejoining family members. In addition, though ethnic political activists are strongly protesting proposed restriction on family-reunification immigration, the fact is that their own communities are the hardest hit by the current high yearly immigration quotas. *Immigrants are entering the U.S. faster than minority communities can absorb them.* These points are discussed in depth in Appendix C.

In addition, we have seen earlier that even Asian community activists admit that many of the seniors are "unwanted" by their children. This further undermines the rationale for family-reunification immigration in the case of parents.

11.4 Solutions to the Medicaid/Medi-Cal Problem

Although our focus has been on SSI, a cash form of welfare, another very big fiscal drain is medical care for the elderly. There has been a congressional proposal to require the sponsoring children to provide medical insurance for their aged parents. This proposal has the potential to bring about very significant savings in government expenditures, but *it will work only if*

[40] *Los Angeles Times*, November 5, 1994.

reliable mechanisms of enforcement are put in place.

11.5 A Reverse-Robin Hood Effect

Welfare reform is required by the Budget Reform Act of 1990 to be budget-neutral. The expenses for job training and child care in such reform must be offset by reductions elsewhere (or by increased taxes, a virtual impossibility). In this manner, each welfare dollar which is continued to be paid to parents of well-off immigrant children who are reneging on their pledges to support their parents is a dollar unavailable for helping the underclass out of the welfare cycle. This reverse-Robin Hood effect is unconscionable.

Another potential reverse-Robin Hood incident occurred in 1994 in Alameda County (which comprises Oakland and other East San Francisco Bay cities). A majority on the county board of supervisors originally supported a proposal to deny welfare to immigrants with well-off sponsors (*San Francisco Chronicle*, September 14, 1994), but then reversed itself and dropped the proposal (*San Francisco Chronicle*, October 26, 1994). Yet it then took up consideration of a proposal to cut funding for senior community centers serving the poor, mainly black and Latino (*Oakland Tribune*, November 1, 1994). The board eventually reversed itself once again and did impose some measure to enforce the obligations the sponsors made to the support the immigrants (*San Francisco Chronicle*, September 27, 1995), but it is still significant that they even considered giving priority in services to immigrants over natives.

A similar situation occurred in September 1994, when Chinese community activists scored a major coup in securing $23 million in HUD and other funding to build subsidized senior housing on the site of the old International Hotel in Chinatown. This occurred at the same time that the city government's own report on housing stated that due to the city's "dire financial condition," the city faces an "enormous challenge" in providing housing for the poor.[41] Funds for such housing are dwindling, according the Ted Dienstfrey of the Mayor's Office of Housing.[42] The report also emphasized the need for family housing, i.e. two- and three-bedroom units. Yet instead, $23 million is being spent for subsidized housing for elderly parents of well-off Chinese immigrants.

12 Conclusions

SSI, a program originally designed as a supplement to Social Security benefits of those who had worked a lifetime in the United States has now become a retirement program for immigrants who quality even if they never worked a day in the U.S. As a result, large sums of federal and state money is being spent on the elderly parents of above-average income immigrants.

Most of the senior Chinese SSI recipients are decent people who do not realize SSI is intended only as a safety net for the financially desperate. Their children who break support pledges are not so innocent, but the real blame should be placed on the loophole-plagued system itself.

It is imperative that the system be changed.

A Profiles of Chinese Immigrant SSI Recipients

Each profile below is an individual case, i.e. not a composite. All names of the seniors used are pseudonyms. All are current SSI recipients, except for a few cases in which I have stated that the senior is currently waiting to become eligible for SSI.

This is of course anecdotal data. But I have chosen the profiles to comprise a reasonably representative sampling of the

[41] *Comprehensive Housing Affordability Strategy*, San Francisco Mayor's Office of Housing, November 5, 1993.

[42] Interview with the author, June 29, 1994.

range exhibited in the much larger set of interviews I conducted.

The profiles follow:

- Mr.and Mrs.Cheng are from Taiwan. They live in Sacramento, California, in a HUD building which is almost entirely populated by elderly Taiwanese immigrants. Mr.Cheng is retired from his position as a teacher in Taiwan. The Chengs have three children in the U.S. When asked why he immigrated to the U.S., he said it was to be reunited with his children. Yet all three children live in Houston, and the Chengs see them only once a year. Mr.Cheng says he lives in Sacramento because he likes the weather there. All three of his children are computer engineers.

- Mrs.Wong, who is from Hong Kong, lives in subsidized housing in San Francisco Chinatown. Her son is an office manager for a nonprofit corporation in Chinatown which specializes in housing for low-income Chinese immigrants. He lives in another part of San Francisco. Mrs.Wong used to live with him, taking the bus into Chinatown for socializing and shopping, but felt it would be more convenient to live in Chinatown itself. She thus moved to Chinatown, financing her residence there by SSI.

- Mrs.Siu lives in subsidized housing near San Francisco Chinatown. She immigrated here from Hong Kong. One of her daughters owns a very succesful insurance agency, and has won an insurance company award for record-breaking sales levels. Another daughter is a software engineer. Her son is an engineer too.

- Mrs.Lee, from China, lives in San Francisco Chinatown. She is on the waiting list for subsidized housing, and in the mean time lives in a very tiny one-room apartment, cooking on a hot plate. Her two sons live in Sacramento, and both are cooks in Chinese restaurants there. When asked whether she could live with her sons and thus not require SSI, she said yes, but they have their own children, and she does not want to get in their way.

- Mrs.Chan, also from China, lives in San Francisco Chinatown. Her son lives in Daly City, a suburb just outside San Francisco. The son is a civil engineer and his wife is a software engineer. Mrs.Chan petitioned for her brother to immigrate a few years ago. Though typically the petitioner and the sponsor are the same person, in this case Mrs.Chan's status as an SSI recipient made her unsuitable as a sponsor, so she had her son serve as the brother's sponsor. The brother and his wife are now living in the same building as Mrs.Chan, waiting for the deeming period to end so that they can collect SSI as well.

- Mr.Liu is a retired Taiwan government foreign service officer. His son lives in an upper-income city in the San Francisco Bay Area. The son is a stockbroker, and his wife is a company controller. The Lius used to live with the son, but recently moved to subsidized housing in San Jose, in order "not to be a burden" to the son. Another of the Lius' sons is a financial management consultant.

- Mrs. Hom, from Hong Kong, lives in a middle-class suburban city in the San Francisco Bay Area, with her daughter. The daughter is an accountant, and the daughter's husband is an agent for a housing-supply business. Mrs. Hom also has several other children in the U.S., in a variety of white-collar and blue-collar occupations. When introduced recently to a new immigrant, also a Chinese senior, Mrs. Hom's first question to the newcomer was, "Have you applied for your welfare benefits yet?"

- Mrs.Yip is from China. She lives in Sunnyvale, a suburb in the Silicon Valley, with her son, who is a student at a local university. Her daughter works for the Kaiser Hospital chain (type of work not specified). The daughter also owns a restaurant.

- Mrs.Leung immigrated here in 1982 from Hong Kong. She lives in subsidized housing in Sacramento. Her son lives in Los Angeles, where he is a mechanic at a GM car dealership. Her daughter lives in Sacramento, and works in a factory; the daughter's husband works in a restaurant. Mrs.Leung's brother immigrated recently from China. As with Mrs.Chan above, Mrs. Leung was her brother's petitioner but not his sponsor. Mrs.Leung's son, the mechanic in Los Angeles, served as the sponsor. The brother is waiting for the deeming period to end, so that he can go on SSI. He lives with Mrs.Leung's daughter, with Mrs.Leung's son contributing money to her daughter as rent for the brother.

- Mr.Zheng immigrated from China. He lives in subsized housing in Oakland's Chinatown. His son is a succesful physician, specializing in obstetrics and gynecology.

- Mr. and Mrs. Gan, both in their late 50s, are from Hong Kong. Mr.Gan did construction work in Hong Kong, and his wife worked in child care. They immigrated to the U.S. two years ago, sponsored by Mrs.Gan's sister, who owns a well-known restaurant in the Bay Area. Using savings they accumulated while living in Hong Kong, the Gans purchased a three-unit building in a Bay Area city, living in one of the units while renting out the other two. As soon as they reach the age of 65, they plan to put the title to the building in their children's names, and sign up for SSI and subsidized housing.

- Mrs.Tsai, from Taiwan, lives in Sacramento. She has four children in the U.S. But the even the geographically closest child, a son, lives 400 miles away, in a Los Angeles suburb. She sees the son once or twice a year, and sees the other, out-of-state children even less often. The son is a chemical engineer. Mrs.Tsai said that she does not want to live with him, as he lives in the hills, where there is no bus service, which would effectively restrict her to the house all day. When asked why she does not live in another Los Angeles suburb which does have bus service, enabling her to stay close to her son, she said that she likes the low rent of the subsidized housing in which she lives in Sacramento.

- Originally from Hong Kong, Mrs.Au and her daughter both live in the same upper-income Bay Area city as the Lius. However, Mrs.Au lives separately from her daughter. Mrs.Au would like to move back in with her daughter and son-in-law, but they are resisting the idea, at least until their children are grown. Mrs.Au is not yet on SSI, but is planning to go on SSI as soon as she depletes her savings. Her daughter is director of a Chinese community center (she and her daughter did not specify what the daughter's husband does).

- The Ma family is originally from Hong Kong, but later emigrated to New York, where Mr. Ma has owned and operated a series of successful restaurants. His aged mother lives with the Ma family. When Mr. Ma was asked how his mother manages to spend her monthly $300 SSI checks, given that her residence with Mr. Ma makes her expenses minimal, Mr. Ma's wife quickly interjected, "Have you seen how expensive clothes are these days?"

B The Role of the Chinese Political Activists

Chinese advocacy groups have made major efforts to promote use of SSI by Chinese immigrants. They have campaigned heavily, through the Chinese community centers, Chinese-language television, Chinese newspapers and so on, disseminating information about SSI, and urging the seniors to come in and apply.

For example, Annie Chung, executive director of the Self Help for the Elderly mega-chain of Chinese senior centers based in San Francisco, is one of the three or four hosts (the host position rotates from week to week) of Chinese Journal, a Chinese-language community affairs television program on Channel 26 in San Francisco. She often devotes shows to tutorials on how to apply for SSI, subsidized housing, Medi-Cal and so on.

As quasi-governmental and sometimes governmental personnel, these activists' endorsement of SSI may have played a role in removing the stigma associated with receiving welfare. Indeed it probably has fostered the "library card" perception of SSI, in which the seniors perceive SSI as a normal benefit of immigration, rather than as a safety net for the financially desperate.

The activists also campaigned, successfully, for the building (or conversion) of large-scale subsidized housing in Chinatowns. The combination of SSI and subsidized housing became hugely popular with the seniors, as we have seen.

As a result of building up the demand for such services, large organizations of community centers such as Self Help for the Elderly have arisen. Although the community centers do provide invaluable service to the seniors, helping them overcome loneliness and boredom, at the same time there are negative effects which arise naturally as a consequence of such empire-building. In short, these organizations have a vested interest in the status quo on SSI.

For example, without SSI, many seniors would move back in with their children, greatly reducing the demand for the subsidized housing for which the organizations campaigned, concurrently losing some of the political clout the organizations have worked so hard to build. For example, we saw earlier the political significance of the coup of Self Help and other Chinese community organizations in securing $23 million in HUD and other funds to build senior housing at the site of the old International Hotel in Chinatown. Chung has become one of the more politically influential activists in the city.

Chinatown business owners also have vested interests, such as those of the Chinese-American businessmen construction companies who are involved in the construction or conversion of the subsidized housing in Chinatowns. The aforementioned Yvonne Lee of the Organization of Asian Pacific Americans touched on this in her August 5, 1995 interview by Annie Chung on Chinese Journal.[43] Lee noted that if proposed restrictions on elderly immigrant eligibility for subsidized housing were to be implemented and the seniors were to return to live with their children, "Our Chinatown will have a big problem [of underpopulation]." Henry Der of Chinese for Affirmative Action, in his interview with the author on March 23, 1994, made similar statements, noting the slowdown in business in San Francisco Chinatown since the 1989 earthquake: "I've never seen so many empty parking places...Business depends on a viable community, and it so happens that many in that community are elderly SSI recipients."

[43] The focus of this August 5 show was on the implications of several pieces of legislation pending in Congress, including proposals to restrict immigrant welfare eligibility and to reduce the scope and size of family-based immigration categories. Lee gave an overview of the bills, and reported on her lobbying efforts against them on Capitol Hill. She complained that very few Chinese-Americans had written to Congress in support of her. Chung and Lee both urged viewers to write letters.

Given these vested interests, it is not surprising that the organizations are now opposing reform of SSI policy regarding immigrants. Led by Lee, they have been heavily engaged in lobbying activities in Washington, concentrating on SSI in 1994 and expanding in 1995 to oppose congressional proposals to reduce yearly immigration quotas.[44]

I believe it is important to point out that these organizations do not represent Chinese-Americans. Most Chinese-Americans have no connection to such organizations, are quite unaware of the lobbying done by them (indeed have never heard of them), and in many cases would disagree with the positions they take.

In this light, though I have no hard data on this, it is worth mentioning that among mainstream Chinese I have talked to, many consider present policies regarding immigrant use of SSI to be far too lax. One immigrant senior complained, "I worked here in the U.S. and paid taxes for 30 years, yet recent immigrants come in without having worked a day, and get a welfare check twice as large as my Social Security check. It's really unfair." Another immigrant senior, also a nonrecipient, said, "They don't need this money," and added that "America is very stupid" for allowing people to take advantage of the system in this way.

One community worker, for example, a Chinese-American woman who had been so positive in tone when I talked to her at work, startled me by calling me at home the next day, angrily saying, "These people are greedy! They're hurting our country!"

Last year I was invited to speak on this topic in a seminar series at the Berkeley Chinese Community Church (June 28, 1994). Many in the Chinese-American audience (mostly American-born) expressed anger and frustration that the welfare system is being abused in this manner.

In addition, after I published an op-ed piece on this topic in the influential Asian-American newspaper *Asian Week*, two letters to the editor were published, both quite supportive. Here are excerpts:

> I wish to congratulate you for your courage to publish Mr. Norman Matloff's expose' of welfare cheating by Chinese immigrants...I am both saddened and ashamed because I know that what he said in his article is true, especially with regard to those from Taiwan. (Richard Low, El Paso, Texas, October 7, 1994.)
>
> Thank you for publishing the article by Norman Matloff...I have been quite aware and angry at this problem for years...I'm glad maybe something will be done, but I won't hold my breath. (Su Lee Tom, Alhambra, California, October 21, 1994.) [45]

C The Realities of Family-Reunification Immigration

Though ethnic political activists are strongly protesting proposed restriction on family-reunification immigration, the fact is that their own communities are the

[44] In an interesting sidelight in Chung's interview of Lee, Lee alluded to the fact that the Chinese SSI rate is much higher than those of most major other nonrefugee immigrant groups:

Lee: [Under the proposed immigration-reform legislation] if you wish to apply for your parents to immigrate, your petition will be approved only if more than half of their children are in the U.S.

Chung: Why is that?

Lee: Because if you want to be with your family [and, say, more than half of them are in China], then your best way to be with them is to stay in China, because that's where your family is! [Laughs.] Congress' goal is to prevent the old folk from coming to the U.S. because...

Chung: Because the elderly use welfare.

Lee: Right. So you can see that these bills are really aimed specifically at Chinese.

[45] Some time later, two further letters were published. One is the letter by Lester Lee mentioned earlier, confirming that welfare has become a magnet luring Chinese seniors to the U.S. The other letter was by Andy Chan of San Francisco, also cited earlier.

hardest hit by the current high yearly immigration quotas. *Immigrants are entering the U.S. faster than minority communities can absorb them.*

When asked why most Latino Americans wish to see reduced immigration, Antonia Hernandez, president of the Mexican American Legal Defense and Educational Fund (MALDEF), explained that "Migration, legal and undocumented, does have an impact on our economy...[particularly in] competition within the Latino community...There is an issue of wage depression, as in the garment industry, which is predominantly immigrant, of keeping wages down because of the flow of traffic of people." Ms. Hernandez made these remarks at the Forum on Immigration, UC Davis, March 11, 1994. After the author included this quotation in his op-ed piece in the *Los Angeles Times* on September 30, 1994, noting that the harm falls on not only immigrant-dominant minorities but also the native African-American underclass, Ms. Hernandez responded with a letter to the editor in that newspaper on October 12, 1994. There she said, "[MALDEF and other civil rights groups] recognize the truism that immigrants tend to compete economically with the most disadvantaged sectors of the population."

Numerous case studies in New York's Chinese-American community by sociologist Hsiang-Shui Chen show how the influx of Chinese newcomers reduces employment opportunity for native and earlier-immigrant Chinese, as well as resulting in reduced market shares for established Chinese entrepreneurs (*Chinatown No More*, by Hsiang-Shui Chen, Cornell University Press, 1992).

Louisiana State University sociologist Min Zhou makes similar comments, noting the low wages in New York's Chinatown caused by "the large pool of surplus immigrant labor" (*Chinatown*, Temple University Press, 1992, p221).

Po Wong, director of the Chinese Newcomers Service Center in San Francisco, told National Public Radio (August 28, 1993), "The community is not ready even for the influx of legal immigrants looking for housing, looking for work, looking for other social services, health services." He added that of the 11,000 new arrivals who tried to find work through his agency, only 2 percent were successfully placed. More recently he was interviewed by Sanford Ungar (*Fresh Blood: the New American Immigrants*, Simon and Schuster, 1995, p.49): "I don't think our community is equipped to welcome this large a number. It is especially difficult to find employment for those who speak only Chinese, who have very little education, or who have never acquired a skill to compete in this new market. It's very depressing to see so many people come here looking for work."

The same themes show up in the study by Peter Kwong of Hunter College (*The New Chinatown*, Noonday Press, 1987). In a very vivid excerpt (p.68) on the hardships faced by native-born and earlier-arriving immigrant entrepreneurs, caused by the arrivals of large numbers of later immigrants, Kwong says:

"In the 1980s, business in Chinatown reached the point of saturation: too many immigrants, too many new businesses, and exhorbitant rents. Suicidal competition developed throughout the community."

Similar dynamics appear to be at work among Korean immigrants in New York. An article in *New York* magazine (April 10, 1995) quotes Sung Soo Kim, president of the Korean-American Small Business Service Center: "We're in the middle of a tragedy. Last year, we had 700 stores open but 900 close. Growth has completely stopped."

A *Los Angeles Times* article on the Latino-populated Lennox area near the Los Angeles International Airport tells the same story, saying that Latino residents believe that "an oversupply of immigrant workers has saturated the job market, depressing salaries and generating intense competition for any employment, however ill-paid."

Presumably motivated by similar concerns of job competition, United Farm Workers co-founder Dolores Huerta testified to a California Assembly committee that "With 1.5 million legalized immigrants living in California, and only approximately 250,000 agricultural jobs in the state, there is no need for additional farm workers." (*Summary Report Prepared for the Assembly Select Committee on Statewide Immigration Impact*, California Assembly Office of Research, Sacramento,

Though the idea of reuniting long-lost loved ones is emotionally appealing, the fact is that most immigrants making use of family-reunification categories come to the U.S. primarily for economic reasons, rather than for the putative goal of rejoining family members.

This was noted, for example, in the analysis given by Louisiana State University professor Min Zhou in *Chinatown*, Temple University Press, 1992, pp.50-54. Dr. Zhou's point is that people who want to immigrate to the U.S. go about finding some route to achieving that goal, and that family reunification happens to be such a route. One person she interviewed, for instance, says "People are very smart, they know how to get here quickly through the family connections." Zhou notes that "Immigration opportunities for prospective immigrants would be close to zero without family or kinship connections." In other words, though the philosophy of immigration law is that one immigrates in order to rejoin one's family members, many are doing the opposite—rejoining their family members in order to immigrate.

Comments along similar lines are made by Bill Ong Hing in his book, *Making and Remaking Asian America Through Immigration, 1850-1990* referenced earlier (pp.106-107). Professor Hing writes that "Japanese-Americans were in an excellent position to petition for relatives [to immigrate] under the 1965 [immigration law] amendment's kinship provisions, yet they did not take advantage of this opportunity as other Asian American groups did." He then cites Japan's economic success, and concludes "For many in Japan, therefore, economic opportunity is not a particularly powerful reason for emigrating." As a result, the family-based immigration rate to the U.S. among Japanese has been dramatically lower than the rates among Filipinos, Chinese, Koreans and East Indians. So, economics, not a desire to rejoin a separated family member, is key in one's decision to emigrate. (Hing also points to Japan's political stability, relative to other Asian nations, as another nonfamily factor in the decision.)

One cannot blame immigrants for wanting to better themselves economically, but given that this is the goal of those coming under the family-unity categories, there is no reason that they should get immigration priority over others who are not so lucky as to have, say, a sibling in the U.S. Moreover, in the case of seniors who come to the U.S. expecting to get welfare, this kind of "economic goal" should be unacceptable.

Senator SIMPSON. Now, Robert Rector, please.

STATEMENT OF ROBERT RECTOR

Mr. RECTOR. I thank you for the opportunity to testify here today. I am the welfare expert at the Heritage Foundation and in my job I study the U.S. welfare system, and I think the first thing I would like to talk about today is simply to recognize that the United States has a huge welfare system. The United States has over 80 major means-tested programs now in operation, and total Federal and State spending on those programs in 1995 was about $380 billion. We are now spending about 5 percent of the gross domestic product on means-tested welfare and if current trends continue, it will soon rise to over 6 percent.

I would simply start with two basic philosophical points. One, nations with very large and generous welfare systems have to be very careful about their immigration policy. Specifically, they have to be very careful about immigration of two groups that are very likely to end up on the welfare that we offer in this Nation, and those two groups are persons with low skills and the second group is elderly and near-elderly people. In fact, in the case of elderly and near-elderly people, it seems almost inconceivable to me how we can have large numbers of them coming in without them ending up on welfare and becoming a burden to the U.S. taxpayer.

In short, the U.S. welfare system has already become a form of deluxe retirement home for many elderly from the Third World. If we look specifically at SSI, we find that in 1982, 123,000 noncitizens were receiving SSI, and by 1984 that had rose to 738,000. That is a 580-percent increase in welfare receipt in over 12 years. If you look at Dr. Matloff's research, we see that in California close to half of all the elderly noncitizens are ending up on welfare. In some groups, such as Russians, it is up to two-thirds of the people in this group are getting on to the welfare system.

If the noncitizen caseload on SSI continues to rise at its current rate of increase, we will, by the year 2004, have over 3 million noncitizens on SSI, and the cost to the taxpayer between now and that time over the next 10 years will be $328 billion. Now, it is important to put that level of cost into some sort of human perspective. $328 billion is sufficient to provide a $1,000 tax credit for every dependent child in every tax-paying household with children in the United States over 10 years.

Even if the growth in the noncitizen SSI caseload leveled off—and I see no indication that it will do so—and remained absolutely fixed at its present level, the cost of SSI and Medicaid to noncitizens over the next 10 years will amount to $127 billion.

I would propose two changes in the law with regard to elderly immigrants and the welfare system. First of all, simply, noncitizens should not be eligible for SSI or for Medicaid, but then the second change is, I think, more fundamental and more long-term. As Dr. Matloff just said, even a change like that leaves a tremendous loophole because it says once the person naturalizes, then they are automatically eligible.

We will not be able, in my mind, I believe, to maintain either deeming requirements or any prohibition on receipt of benefits after the period of naturalization. In working on various bills on

this, I have run across a lot of evidence that would indicate that the courts would be very likely to strike down any deeming requirements after the individual becomes naturalized.

Therefore, I suggest that in the future most elderly immigrants—say, those over age 55—should not be admitted to the United States with the option of becoming citizens. If we want to let them in to reunify with their families, we should let them in in some sort of guest or visitor status. It could be a permanent visitor status, but they would not be admitted with the option of in the future becoming citizens. If we do let them in in the current number with the option of becoming citizens, I think that the problem of welfare receipt will continue to grow and we will be, as Dr. Matloff said, back here again in 4 or 5 years with exactly the same problem we have now.

In sum, I would like to say that immigration should be open to a limited number of persons who wish to come to the United States to work and be self-sufficient and who clearly have the capacity to support themselves. Immigration should not be an avenue of welfare dependence and an avenue of a burden to the U.S. taxpayer. The U.S. taxpayer should not be expected to support the costs, medical or otherwise, of elderly noncitizens coming to this country, and I think that we need to make fundamental changes in the system in order to protect the taxpayer.

Thank you.

[The prepared statement of Mr. Rector follows:]

PRPEARED STATEMENT OF ROBERT RECTOR

I would like to thank this committee for giving me an opportunity to discuss the issue of immigration and its burden on the American taxpayer. I want to emphasize that the views I express are entirely my own and do not necessarily reflect the views of The Heritage Foundation.

The United States welfare system is rapidly becoming a deluxe retirement home for the elderly of other countries. This is because many individuals are now immigrating to the United States in order to obtain generous welfare that far exceeds programs available in their country of origin. Non-citizens today are among the fastest growing groups of welfare dependents.

In 1994, there were nearly 738,000 lawful noncitizen residents receiving aid from the Supplemental Security Insurance (SSI) program. This was up from 127,900 in 1982—a 580 percent increase in just 12 years. The overwhelming majority of noncitizen SSI recipients are elderly. Most apply for welfare within five years of arriving in the United States.

The data show that welfare is becoming a way of life for elderly immigrants. An analysis of elderly immigrants in California by Professor Norman Matloff of the University of California at Davis shows that 45 percent received cash welfare in 1990. Among Russian immigrants, the figure is 66 percent; among Chinese, 55 percent. Worse, the trend is accelerating. Recent immigrants are far more likely to become welfare dependents than those who arrived in the United States in earlier decades.[1]

If current trends continue, the U.S. will have more than three million noncitizens on SSI within ten years. Without reform, the total cost of SSI and Medicaid benefits for elderly noncitizen immigrants will amount to over $328 billion over the next ten years. Annual SSI and Medicaid benefits for these individuals will reach over $67 billion per year in 2004 (see Table 1).

Even with the implausible assumption that the current rapid increase of noncitizen recipients will halt and the number of elderly immigrants receiving benefits will remain at current levels, U.S. taxpayers would still pay over $127 billion over the next ten years for SSI and Medicaid benefits for resident aliens (see Table 2).

[1] See Norman Matloff's testimony before the House Ways and Means Committee, March 1, 1994.

Congressional testimony by Dr. Matloff demonstrates that immigrants have a high degree of awareness of welfare policies and procedures. Besides word of mouth among immigrants, sources in foreign countries as well as the United States give advice on how to obtain welfare benefits. For example, Zai Meiguo Sheng Huo Xu Zhi (What You Need to Know About Life in America), a publication sold in Taiwan and Hong Kong, and in Chinese bookstores in the U.S., includes a 36-page guide to SSI and other welfare benefits. The largest-circulation Chinese-language newspaper in the U.S., Shijie Ribao (World Journal), runs a regular "Dear Abby"-style advice column on SSI and other immigration-related matters.[2]

Prudent restrictions on providing welfare to recent immigrants long has been part of the American tradition. Becoming a charge was grounds for deportation in the Massachusetts Bay colony even before the American Revolution. America's first immigration law, passed by Congress in 1882, prohibited the entry of paupers and persons who were likely to become a public charge. Similar restrictions have appeared in subsequent immigration law. Today, the Immigration and Nationality Act declares unequivocally: "any alien who, within five years after the date of entry, has become a public charge from causes not affirmatively shown to have arisen since entry is deportable." The problem is that this provision of the law is ignored.

The presence of large numbers of elderly immigrants on welfare is a violation of the spirit, and arguably the letter, of U.S. immigration law. The relatives who sponsored the entry of these individuals into the U.S. implicitly promised that the new immigrants would not become a burden to the U.S. taxpayer. But many, if not most, sponsors are enrolling their elderly immigrant relatives on welfare soon after the end of the three-year waiting period. Once on SSI, there is every indication that these immigrants will remain on welfare indefinitely.

Although many of the elderly noncitizens on SSI come from politically oppressive nations such as Cuba or the former Soviet Union, the majority do not. The single greatest number of aliens on SSI come from Mexico. Other nations, such as the Dominican Republic, India, South Korea, and the Philippines, also contribute large numbers of recipients.

Moreover, while Americans greatly sympathize with those individuals who have suffered from political oppression and economic failure inherent to communist regimes, U.S. welfare programs are not appropriate vehicles to redress that suffering, nor should they serve as a retirement program for these individuals. Just as the United States military cannot serve as a global policeman, U.S. welfare programs cannot serve as a global retirement system.

Most noncitizens on SSI lawfully admitted to the U.S. have relatives capable of supporting them. To have brought a relative to the U.S. in the first place, the sponsor must have demonstrated a capacity to support that relative. And most sponsors do, in fact, support their immigrant relatives for at least three years after their arrival. If SSI benefits for noncitizens were terminated, in most cases the family support which sustained the immigrant immediately after arrival in the U.S. simply would be resumed.

Just as Americans expect an absent parent to pay child support for his children, so they also must expect individuals who voluntarily bring elderly and near-elderly relatives to the U.S. to support those relatives fully. This obligation to support should be permanent and should not be limited to three or five years as under the current law. Under no circumstances should the cost of supporting elderly and near-elderly immigrants to the United States be passed to the general taxpayer.

POLICY RECOMMENDATIONS

The U.S. has a huge welfare system with over 80 major programs. In 1993, federal and state spending on means-tested programs providing cash, food, housing, medical care, training, and social services to low income persons amounted to $324 billion or 5 percent of GDP.

An advanced welfare state has to be very careful in designing its immigration policy. A welfare state will place great strains on its taxpayers if it encourages the immigration of large numbers of:

(1) elderly and near elderly persons; or

(2) low-skilled persons.

Dramatic changes in both the current welfare system and in immigration policy is required. Eligibility to Supplemental Security Income and Medicaid should be restricted to U.S. citizens. However, such a restriction provides a mammoth loophole since welfare eligibility to elderly immigrants cannot be limited after they become citizens. Thus limiting the growth of the SSI and Medicaid caseloads requires not

[2] *Ibid.*

only limiting benefits to noncitizens, but also to reducing the number of elderly immigrants who enter the country in the future.

In the future, elderly and near elderly foreigners should be permitted to enter the U.S. only as guests of American relatives who sponsor them. Such elderly "guests" would not have the option of becoming citizens and thereby becoming a future burden on the U.S. taxpayer; they should be supported permanently by the relative who sponsored their entry.

Simply requiring that sponsors provide medical insurance to immigrating elderly relatives is not sufficient. First of all, there is no practical way to assure that the insurance will really be provided five or ten years after the immigrant's entry. Second, once the immigrant becomes a citizen, there is no lawful way to keep him or her off SSI, Medicaid or any other welfare program. And once the elderly immigrant has become a citizen, there is no lawful means to require the sponsor to provide health insurance or defer welfare costs. Thus, the only real mechanism for reducing the growth in the number of elderly immigrants on welfare is to reduce the number of such immigrants who enter the U.S. with the option of eventually becoming citizens.

U.S. immigration policy should also dramatically reduce the number of low skilled, poorly educated immigrants and should increase the relative share of high skilled immigrants. This can be accomplished by dramatically reducing the number of relatives entering by way of family preference under current law.

Overall, immigration should be open to a limited number of individuals who wish to come to the United States to work and be self sufficient and who clearly have the capacity to support themselves. America should open its doors to those who have skills and seek opportunity. But immigration should not become an avenue to welfare dependence.

Table 1

Projected Costs for Resident Aliens (with Current Growth in Caseload)

	Number of Resident Aliens on SSI	SSI Recipient Cost Per Year	Total SSI Cost	Medicaid Recipient Cost Per Year	Total Medicaid Cost	Total Cost (SSI & Medicaid)
1995	854,323	$5035	$4,301,517,493	$8,970	$7,663,279,427	$11,964,796,920
1996	988,794	5186	5,127,933,637	9,463	9,357,300,987	14,485,234,624
1997	1,144,430	5342	6,113,122,503	9,984	11,425,797,872	17,538,920,375
1998	1,324,563	5502	7,287,587,825	10,533	13,951,550,472	21,239,138,297
1999	1,533,049	5667	8,687,693,773	11,112	17,035,638,364	25,723,332,137
2000	1,774,351	5837	10,356,790,876	11,723	20,801,485,474	31,158,276,350
2001	2,053,634	6012	12,346,558,253	12,368	25,399,799,449	37,746,357,701
2002	2,376,876	6192	14,718,603,717	13,048	31,014,602,915	45,733,206,633
2003	2,750,997	6378	17,546,371,301	13,766	37,870,597,992	55,416,969,293
2004	3,184,003	6570	20,917,415,248	14,523	46,242,158,772	67,159,574,020
Total			**$107,403,594,626**		**$220,762,211,723**	**$328,165,806,350**

Note: Average growth rate in caseload from 1982-1994 was 15.74% per year. Outyear projections are based on this figure. Medicaid costs per recipient were based on the average Medicaid costs of elderly disabled people. Future Medicaid costs are allowed to grow at the rate of medical inflation (5.5%).
SSI costs per recipient were allowed to grow at the rate of inflation (3.0%).

Source: SSI and Medicaid costs from Committee on Ways and Means, U.S. House of Representatives, *Overview of Entitlement Programs: 1994 Green Book*, 1994.

Table 2

Projected Costs for Resident Aliens (with No Growth in Caseload)

	Number of Resident Aliens on SSI	SSI Recipient Cost Per Year	Total SSI Cost	Medicaid Recipient Cost Per Year	Total Medicaid Cost	Total Cost (SSI & Medicaid)
1995	738,140	$5035	$3,716,534,900	$8,970	$6,621,115,800	$10,337,650,700
1996	738,140	5186	3,828,030,947	9,463	6,985,277,169	10,813,308,116
1997	738,140	5342	3,942,871,875	9,984	7,369,467,413	11,312,339,289
1998	738,140	5502	4,061,158,032	10,533	7,774,788,121	11,835,946,153
1999	738,140	5667	4,182,992,773	11,112	8,202,401,468	12,385,394,240
2000	738,140	5837	4,308,482,556	11,723	8,653,533,548	12,962,016,104
2001	738,140	6012	4,437,737,032	12,368	9,129,477,894	13,567,214,926
2002	738,140	6192	4,570,869,143	13,048	9,631,599,178	14,202,468,321
2003	738,140	6378	4,707,995,218	13,766	10,161,337,132	14,869,332,350
2004	738,140	6570	4,849,235,074	14,523	10,720,210,675	15,569,445,749
Total			$42,605,907,550		$85,249,208,398	$127,855,115,948

Note: See note for Table 1.
Source: SSI and Medicaid costs from Committee on Ways and Means, U.S. House of Representatives, *Overview of Entitlement Programs: 1994 Green Book*, 1994.

Senator SIMPSON. Thank you very much, all of you. I will go briefly to questions.

Professor Borjas, in your article in National Review, I believe, on the nine immigration myths, after you discussed relative welfare use by various immigrant and native groups, you asked an important question, and it was this, quote, "Shouldn't our immigration policies strive to admit workers who do more than just replicate the social and economic problems of our native population," unquote.

That seems quite reasonable to me. It also seems consistent with the policy that has been in the law for many years, and that is an immigrant should not be admitted if he or she is, quote, "likely at any time to become a public charge," unquote. So would you please comment further on that issue?

Mr. BORJAS. Senator, that is precisely what I was talking about in that sentence in the following sense. Many people will often use the metric of saying, well, the immigrant welfare rate, the welfare recipiency rate, is about the same as that of natives once one does the following things. What I was trying to argue in that article is that perhaps it is the wrong metric to use. The fact that it is just like natives means that we are perhaps not being selective enough in the entry procedure.

I want to stress, also, something that was said before, which is the following. There really is a fundamental inconsistency between having a generous welfare state and having sort of an on-screen immigration policy, which is to a large extent what we have now. Once one starts admitting workers or persons who are less skilled, who are elderly, who qualify for these programs, it doesn't really matter if the welfare state is a magnet or not. People who tend to qualify for these programs will get here, will tend to apply, and will tend to receive the benefits, and the fact that they receive benefits just as often as natives is really the wrong metric to use to measure the success of immigration policy.

Senator SIMPSON. Let me ask Mr. DoCouto, as you so well know—and yours was a powerful personal testimony and that is the kind of testimony that gets us in a lot of trouble in America because we want to do things, but there are people who abuse the systems and then we as legislators have to come in and try to do it and correct the problems of the 10 or 20 percent of the real guys that do us in. We then hurt people that you speak of. That is our problem eternally here. We are always trying to get after somebody, the 5 percent of the jerks, and it affects 95 percent of the rest of us, but that is what happens because they get all the play.

So, as you know so well, the exclusion of paupers, poor people, and others who are believed at any time to become a public charge is one of the oldest principles in our law in the United States—1882. That is on the books. It didn't come from the Republicans or the Democrats of recent vintage.

One of the ways immigrants are permitted to enter this country is by providing an affidavit of support, which has been just shot through by various court decisions, all doing it with the very best of reasons, emotional, moral, whatever, by a sponsor. Often, the relative petitioning for their entry then, under an immigrant classification, has to give that; they have to give an affidavit of support.

Now, do you believe it is unreasonable for the American people—that is, Government; taxpayers—to impose such a requirement, and should it not be legally enforceable, and strongly legally enforceable, by the immigrant as well as by any welfare agency that has provided the support? That is my question.

Mr. DoCouto. I think that most immigrants that I deal with, myself included, feel that the sponsor does have responsibility for the individual that they sponsor in. I might add that most people who are sponsored in have a very profound commitment to that sponsor to not embarrass them, to not go on welfare, to not go on assistance, and they do the best they can for as long as they can, and the majority of immigrants who are here, in fact, do. They do pull their own weight. They work, they contribute, but the vagaries of life often come up. Someone may get injured. Someone may get seriously ill. Family problems do come up. In that instance, there ought to be some kind of a safety net there.

The people I have talked to, the people in my community, my staff included, who are all immigrants, to a person said that clearly the sponsor should have some responsibility for those individuals that they are bringing in for some period of time.

Senator Simpson. Let me ask that same question, then, of Michael Fix. You have heard the question I addressed. If you want to get to what everybody listens to, we do exclude poor people in the United States, and paupers. We really do that and have been doing that since 1982 unless the sponsor says, I agree that this person is coming, I am paying for them and they are my responsibility. It has become a laughingstock. As one witness said, it is unenforceable. The courts have shredded it. It is a chuckle.

Now, this legislation we are talking of—and six of the last witnesses said they propose that this is a very important thing, a legally enforceable affidavit of support. Do you feel it is unreasonable for the American people to impose a requirement and that it be legally enforceable by the immigrant as well as any welfare agency that has provided support to that immigrant and then may try to go back through the sponsor?

We have built in what happens if the sponsor goes broke. We are trying to consider all these things. We are not, and never have been in this subcommittee—and Ted knows well, whether I have been chairman, we don't engage in the hysteria that sometimes goes on on the floor, and that is what we fear here that there are going to be a lot of things come out on the floor if we can string something together here. But let me ask you that question and then I will go on to Ted. That is the question.

Mr. Fix. I have written that I think that the system of sponsorship and deeming is not only right, but it is quite progressive and it is an honorable system in the sense that it allows people who appear poor by United States standards to be able to enter the country with this promise. So we are making a bet that they will become economically mobile and we are securing it with this promise, and I think it is an honorable aspect of our policy in this area. I think it is a policy accident that it is not enforceable and I think that it should be enforceable. My question is how long it should be enforceable. I think that raises very complicated constitutional

questions, but my bottom line is that I think it is a good system that should be built upon.

Senator SIMPSON. We will come for a short second round. We have the swearing-in of our new member, Senator Ron Wyden, at 12:30 and we will conclude by that time.

Ted, Mr. Borjas has a plane to catch, so if you want to——

Senator KENNEDY. I will just take a minute.

Senator SIMPSON. Thank you.

Senator KENNEDY. It seems that Mr. Borjas and Mr. Fix have looked at similar kinds of information and have come to some different conclusions. But rather than getting into that, I am interested in what the panel thinks about whether we ought to have the ban or deeming. With respect to Mr. Matloff's observations, I think that is fraud, what you described here. I think that ought to be prosecuted. I think if you have got evidence of that, you ought to throw the book at them. No one on this panel thinks that people that gimmick the system and have a clear understanding that that is what they are trying to do and then abuse it have any standing.

Mr. MATLOFF. Well, how can you prove it?

Senator KENNEDY. Well, that is a question of fact. That is a question of fact. That is done in courts all the time.

Mr. MATLOFF. But how do you prove intentions?

Senator KENNEDY. With all respect, that is what I think. Maybe if there is some specific change in the current law that you think could be done, I would be welcome that if you want to provide that for us about how to do that. But the cases that you say, that kids bring in their parents that are coming over here and when they sign that affidavit, they had absolutely no intention of providing for that, and their parents are coming here with the sole intention of getting on welfare—that is a violation and that is fraud. You can spell it any other way. If we don't have the legs to prosecute them, then we ought to have them, but I think that ought to be done irrespective of where we are coming out here. I don't think anybody is justifying that.

Let me come back to the fundamental question that I want to just address, and that is where you come out on the bottom line between the deeming and the banning. You know, we have seen, with all respect again to Mr. Matloff, the total number for the SSI going down in 1993 and 1994. Many of us believe that that is because of the amnesty law. We crowded up the systems during that period of time, and now we see a change without a change in the law taking place, actual numbers going down that are being provided.

Many of us believe that many of the reasons that people are becoming citizens are because of the fear of the anti-immigrant sentiment that is here and people are scared for themselves; they are scared for their wives, they are scared for their children, and they are scared for their parents. I know there are others that think, well, they are trying to gimmick the system as well, but I quite frankly am not of that persuasion.

But rather than debating those kinds of issues, I would be interested in this matter that we are going to have to come to grips with, and that is the deeming and the banning. We have maybe some differences in the panel about how they look at different flow

lines of information and how this is actually what is happening out there, but could I just ask the panel that one question, and that is we may some differences in the total number of years. You know, I will give you maximum flexibility and then maybe you can elaborate or submit that elaboration in writing for the record, but what would you just say for the members of the panel on the issue of deeming? Should we go for deeming that is an enforceable mechanism or do you favor the banning?

Mr. BORJAS. I think, as someone said on the panel, when immigrants do come here, things do happen, and I think it would be very important not to remove the safety net completely for people who really are in need. I see nothing wrong with having an entry contract, if one thinks of it that way, which essentially says to an immigrant, once you come here and somebody is sponsoring you, that sponsor will be financially responsible for the next 5 or whatever number of years. That, I think, is a much more humane way of treating the problem.

Mr. DOCOUTO. I would have to echo that. I think that deeming is really the only way to go. I still am somewhat concerned about the fact that someone could be a naturalized American citizen and has sworn allegiance to the Constitution and is, in fact, an American citizen by all definitions and be precluded from the benefits. I personally have some problem with that.

Senator KENNEDY. I do, too.

Mr. Fix.

Mr. FIX. People die, people lose jobs. Immigrants are, in fact, abandoned occasionally by their sponsors. Deeming takes that into account. Bans do not take that into account.

Mr. MATLOFF. I vote for deeming, too, for the same reasons. I should mention, though, again I don't think—I mean, the deeming is more humane, but in terms of solving the problem, neither deeming nor an outright ban is going to solve it.

Mr. RECTOR. I would concur with Dr. Matloff. I think that I would favor an outright ban, but I think that both deeming and the ban are vulnerable because if the individual becomes a citizen, then I think neither the deeming nor the ban will stand constitutional muster after naturalization, so you are right back to square one.

I would also say about deeming that I just don't think deeming is going to work. I think that in public policy, clear lines are much better than very fuzzy, complicated lines. I think when you passed the deeming statute that you have now, no one sat in this chamber and said this is going to be non-enforceable, this isn't going to work. Everybody thought it was going to work. It didn't work.

It seems to me that most of the things I see proposed concerning deeming have the same sort of complexity. They seem to be sort of make-work nirvanas for lawyers. I don't think they will be enforced. I don't think they will achieve the savings they are supposed to, and they do have this big loophole that the way out of it, I think, is to get naturalized and we are right back to having the same burden on the taxpayer we have now.

Senator KENNEDY. Well, I don't want to get argumentative, but at least when we talked to the previous panel, the various statistics show that when you have had the earlier deeming patterns, there

has been a dramatic, dramatic reduction in total numbers. We will have examine it. I appreciate your opinion on this, but there are facts to the contrary.

I thank you, Mr. Chairman.

Senator SIMPSON. Ted, I wanted to share with you, and I think you might concur, that the reduction in the growth of SSI—and certainly the table is correct—in 1993 and 1994 has a very clear explanation. Congress raised the deeming requirement from 3 years to 5 years effective in fiscal year 1994. There was thus a change that prevented certain noncitizens from accessing the benefit in the years when it shows that it went down, and I think that is important to know, or else I wouldn't be here. If that were the figure, there wouldn't be any reason to hold the hearing.

Senator KENNEDY. Well, the point is the total numbers that were eligible under the amnesty also coincided during that period of time. You are not going to get an argument out of me that the deeming has been effective. I think it has been, but it is also those that would be eligible under the amnesty provisions have changed the eligibility in the total numbers as well, and I think that has had some impact. But we can talk about that another time.

Senator SIMPSON. I think that is true, and I think we will be here for years, someone said before, and that is for certain.

Let me just ask about this fascinating transcript of this broadcast in Chinese that you participated in. I read that. On January 31st, the talk show host said, boy, you are going to get ripped apart in this one and expect some hostile calls. I hope all the members of the subcommittee will read that transcript, and the press, too. That would be dandy if they would, but you can never count on that. That is my experience, at least. They get more interested in other things, like who wrote *Primary Colors*. Those are vital things to our country. Surely, we ought to be able to find that out, but they ought to take a look at some of this, too. It is powerful stuff. Callers described the problems of current immigration.

Could you summarize for the subcommittee and the record some of the views heard from Chinese people in the community on that show and other occasions about welfare use, chain migration, and other problems related to immigration that don't come through the official line that we hear in this remarkable village?

Mr. MATLOFF. Well, I think that this is—from my point of view, I think this is extremely significant, for the very reasons you just outlined. Unfortunately, with all of you being so busy, none of you have time to go and make friends with immigrants, especially those that don't speak English, but the problem with that is that you then don't see what is going on. The only thing you see is what is filtered through to you by what Senator Simpson referred to as the groups, whose views are very different from the ordinary people, in this case the Chinese immigrants.

Here in DC, you have the headquarters of the Organization of Chinese Americans—very active, very influential, I believe. Yet, most Chinese Americans have never heard of the Organization of Chinese Americans, much less subscribe to their views. That is why the talk show host—as you said, this Chinese-language talk show host—the audience is Chinese immigrants. The talk show

was expecting all the immigrants to say, oh, the Congress is terrible, they want to cutoff welfare to immigrants.

The callers said just the opposite. The callers were irate that so many of the newer Chinese immigrants in this case are going on welfare, and as others said, not only going on welfare, but working at the same time and getting paid in cash under the table. The callers were irate. One caller went on for so long, the talk show host started laughing.

Chain migration—because I had said what I just said a minute ago quoting Po Wong, the director of the Chinese Newcomer Service Center—the yearly rate of immigration is higher than the Chinese immigrant community itself can absorb. This is from Po Wong, the person whose job it is to help immigrants. I mentioned that and callers called up and said, oh, that is exactly right; you are just saying what is exactly in my heart. They had been frustrated. They find that they are having trouble finding good jobs, and so on. They are the ones that are getting hurt the most.

The chain migration was mentioned as well in that. One caller even mentioned that one person she knows personally, through chain migration, directly and indirectly, had actually brought in 100 people. It is striking. Now, for those of us in the communities like this, we see it all the time. To be honest with you, it is very frustrating that people in Washington, and for that matter, as you said, the press, are not able to see this. That is why I was so pleasantly surprised to see the results of that talk show, and I hope people do read it.

Senator SIMPSON. Well, I thank you all very much. I do want to go and witness the swearing-in of our new colleague from Oregon. I thank you. You have given us some serious material.

If we might have quiet, please, we have obviously an issue that tears your heart out. Those are always the ones you have to watch around here. I have often said—they get tired of me—issues filled with emotion, fear, guilt and racism are manipulated by the right and the left, and then it leaves the rest of us to go try to police up after them. That is where we are, especially on anything with immigration or refugees.

This issue of second-class citizen—that is a marvelous phrase. The groups dug that out of space somewhere, "second-class citizen." Good Lord. If you have assets in real life and some of them are alimony or child support, those are listed as assets. What is the reason we would not list an asset of an affidavit of support? Somebody has to come up and wise me up and give me the treatment, maybe electrodes to the feet or something, but I do not see how that makes a person a second-class citizen when that is a valid asset of that person. That is one we are going to have to figure out. That issue of legally binding—I hope we can get to that.

These are Federal problems and they must be resolved by us, and that is where the problem comes. We don't resolve them here because the groups manage to distort and tin-whistle the issue to pieces. I have watched them now for 17 years. If you want to go back and get a real one, look at the Chinese student issue on Tiananmen Square. We brought them here, we protected them, and then it became a cottage industry, not by the students themselves, but by people pressing for their interests and using them, because

I have visited with them, too. I wish I had had you; I can't speak Mandarin or Cantonese.

Anyway, those are the problems, and the real one is if people between 18 and 45 can't begin to figure out what is going to happen to them in this country, when to think that we would be in a position here of giving a benefit to somebody 60 years old who has never paid a nickel into Social Security and never paid a nickel into Medicare and all we are trying to do is see that they have long-term health care insurance so they don't access the system, which is a pay-as-you-go Ponzi system for people between 18 and 45—we can't even address that issue and we aren't even talking about people who are over 60, and that is all you hear from in this league. That is all the people that speak.

Meanwhile, the poor bubble-heads between 18 and 45 just stumble around in America; oh, I don't know, if there is anything in there, it doesn't bother me. So they pay more in Social Security than they pay in income tax and are still smiling. They ought to have—we ought to look at that particular branch of society.

Anyway, they are handing me notes. I have got to get out of here. I want to thank the staff, thank Dick Day and others, and John Knepper and John Ratigan, Chip Wood, and just thank you for helping us. There will be other questions that the committee will propose, and then we will go to the markup and whatever happens in there will happen on the floor of the U.S. Senate, and what drama will take place there of people who don't know a thing about the issue, like most people in America, and then watch what they do. They won't be sensible.

Thank you very much.

[Whereupon, at 12:29 p.m., the subcommittee was adjourned.]

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